



**Triple Energy Limited**

**ABN 68 116 829 675**

**Annual Report  
31 March 2018**

| <b>Contents</b> | <b>Page</b> |
|-----------------|-------------|
|-----------------|-------------|

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|                                                |    |
|------------------------------------------------|----|
| Corporate Information                          | 3  |
| Directors' Report                              | 4  |
| Auditor's Independence Declaration             | 14 |
| Consolidated Statement of Comprehensive Income | 15 |
| Consolidated Statement of Financial Position   | 16 |
| Consolidated Statement of Changes in Equity    | 17 |
| Consolidated Statement of Cash Flows           | 18 |
| Notes to the Financial Statements              | 19 |
| Directors' Declaration                         | 46 |
| Independent Auditor's Report                   | 47 |
| Additional ASX Information                     | 51 |

## DIRECTORS' REPORT

### CORPORATE INFORMATION

**ABN 68 116 829 675**

**Directors**

|                           |                                                             |
|---------------------------|-------------------------------------------------------------|
| Mr Ming Kit (Tommy) Cheng | (Non-Executive Chairman)                                    |
| Mr Man Kin (Raymond) Tam  | (Alternate Director for Mr Tommy Cheng)                     |
| Mr Murray d'Almeida       | Independent Non-Executive Director (appointed 18 July 2017) |
| Mr Chris Berkefeld        | Independent Non-Executive Director (appointed 18 July 2017) |

**Company secretary**

Mr Alex Neuling

**Registered office and Principal place of business**

Unit 24, 589 Stirling Highway, Cottesloe WA 6011

PO Box 899, Cottesloe WA 6011

Telephone: (08) 6153 1861

Facsimile: (08) 6314 1557

**Postal address:**

PO Box 899

COTTESLOE WA 6911

**Share register**

Security Transfer Australia Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

Telephone: (08) 9315 2333

**Solicitors**

Steinepreis Paganin

Level 4, Next Building

16 Milligan Street

PERTH WA 6000

**Bankers**

National Australia Bank

Level 1, 1238 Hay Street

WEST PERTH WA 6005

**Auditors**

HLB Mann Judd

Level 4, 130 Stirling Street

PERTH WA 6000

**Website** [www.tripleenergy.net](http://www.tripleenergy.net)

## DIRECTORS' REPORT

Your directors submit their annual financial report of the Group consisting of Triple Energy Limited ('Triple') and its controlled subsidiaries for the financial year ended 31 March 2018. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

|                           |                                                                |
|---------------------------|----------------------------------------------------------------|
| Mr Ming Kit (Tommy) Cheng | Non Executive Chairman                                         |
| Mr Man Kin (Raymond) Tam  | Alternate Director for Mr Tommy Cheng (appointed 4 April 2017) |
| Mr Murray d'Almeida       | Independent Non-Executive Director (appointed 18 July 2017)    |
| Mr Chris Berkefeld        | Independent Non-Executive Director (appointed 18 July 2017)    |
| Mr Paul Underwood         | Former Director (resigned 18 July 2017)                        |
| Mr Garry Ralston          | Former Director (resigned 18 July 2017)                        |

### Names, qualifications, experience and special responsibilities

#### Mr Tommy Cheng Non-Executive Chairman Qualifications: B.Comm

Mr Cheng is an executive director and chairman of Beijing Gas Blue Sky Holdings Limited (HKEx Stock Code 6828 **BGBS**). He holds a Bachelor degree in Commerce from the University of Alberta, Canada. From 1995 to 2003, Mr Cheng held various positions which were responsible for corporate finance and property development activities in the People's Republic of China (**PRC**). From 2003 to 2008, Mr Cheng was involved in the investment and operations in the gold mining industry in the PRC and had held senior positions in a mining company listed on the Toronto Stock Exchange Venture Board with mining and exploration operations in the PRC. Mr Cheng is currently a non-executive director of New Times Energy Corporation Limited (HKEx stock code: 0166) and was an executive director of Grand T G Gold Holdings Limited (HKEx stock code: 08299) from November 2008 to June 2009, which shares are listed on the Hong Kong Stock Exchange.

During the three years to balance date, Mr Cheng has served as a Director of New Times Energy Corporation Limited (2009- present) and Beijing Gas Blue Sky Holdings Limited (2014-Present).

During the three years to balance date Mr Cheng has not served as a Director of any other ASX listed company.

#### Mr Man Kin (Raymond) Tam Alternate Director

Mr Tam is an executive director, chief financial officer and authorized representative of Beijing Gas Blue Sky Holdings Ltd, the Hong Kong-listed parent company of the Beijing Gas Blue Sky group of companies (**BGBS**) (Hong Kong Stock Code: 6828). BGBS is Triple's largest shareholder.

Mr Tam obtained an Executive Master of Business Administration degree from the University of Western Ontario in Canada in 2005, a Master of Practising Accounting degree from Monash University in Australia in 2001 and a Bachelor of Civil & Resources Engineering (First Class Honours) degree from the University of Auckland in New Zealand in 1998. Mr Tam is a Fellow of CPA Australia, a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a CFA and FRM charter-holder. Mr Tam has over 15 years of management experience in banking and finance industry. Prior to joining Beijing Gas Blue Sky Power Holdings Ltd, Mr Tam served as the chief financial officer of China Regenerative Medicine International Limited (stock code: 8158), a company listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited from 2015 to 2016. Mr Tam also served as the Project Director of Mineralogy Pty Ltd. and the chief financial officer of Resourcehouse Ltd., both of which are Australian companies principally engaged in the development of mineral resources. Further, he worked at J.P. Morgan from 2006 to 2010 and held various management positions with The Hongkong and Shanghai Banking Corporation Limited from 1999 to 2006. He also served as the Vice President (Asia Convention) of the World Leadership Alliance — World Economic Council, and has served as the Co-Chairperson of Corporate Sector Committee of CPA Australia — Greater China since 2016.

During the three years to balance date Mr Tam has not served as a Director of any other ASX listed company.

## DIRECTORS' REPORT

### Mr Murray d'Almeida

Independent Non-executive Director

Mr d'Almeida has over 35 years of diverse national and international business experience. He commenced his career in Perth with a firm of Chartered Accountants before moving into a broad range of commercial and financial reporting positions with two major USA based mining companies. He founded the Australian and international retailer Retail Food Group, and developed their presence in seven overseas countries. He has maintained operating and board positions within a range of financial services, mining, commercial academic, government, sporting businesses and organisations.

Mr d'Almeida is currently chairman of Incentia Pay Limited (formerly BPS Technology Limited), chairman of Barrack Street Investments Limited and a director of Global Masters Limited.

### Mr Chris Berkefeld

Independent Non-executive Director

Mr Berkefeld has over 20 years' experience on public and private company boards in New Zealand and Australia. His background is in industrial, waste and mining services in Australia along with engineering and heavy transportation services in Europe and Asia. He was with services company Brambles for 25 years and ran the waste management and industrial services businesses upon their sale to a private equity group in 2006.

Mr Berkefeld is currently a non-executive director of Tellus Group Limited and Hiway Group Limited and Incentia Pay Limited.

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## FORMER DIRECTORS

### Mr Paul Underwood (resigned 18 July 2017)

**Non-Executive Director**

**Qualifications: B.Bus, Grad Diploma in Applied Finance, Chartered Accountant**

Mr Underwood has over 33 years experience in the upstream oil and gas sector and corporate advisory. He was the founding Managing Director and Chief Executive Officer of Tap Oil Limited (ASX: TAP), a position he held for 11 years. Mr Underwood presided over Tap Oil during its progression from an unlisted junior start-up company into a significant participant in the oil and gas sector with a market capitalisation of several hundred million dollars.

Mr Underwood has also served as a Non-Executive Director of Western Power, a Western Australian state owned electricity utility, and is the President of Alliance Francaise de Perth.

During the three years to the date of his resignation Mr Underwood did not serve as a director of any other listed company.

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### Mr Garry Ralston (resigned 18 July 2017)

**Independent Non-Executive Director, Chairman Audit & Risk, Nomination and Remuneration Committees**

**Qualifications: Licensed Finance Broker (CFB)**

Mr Ralston serves as a Non-Executive Director of the Company and is based in Perth, Western Australia. Mr Ralston has been directly involved in the banking and finance industry for over 44 years. Mr Ralston was a co-founder of Finance and Systems Technology (FAST), which is one of Australia's premier mortgage aggregators. Mr Ralston is also a director and co-founder of Select Mortgage Services.

During the three years to the date of his resignation Mr Ralston did not serve as a director of any other listed company.

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## Company Secretary - Mr Alex Neuling

Mr Neuling is a Chartered Accountant and Chartered Secretary with extensive corporate and financial experience including as director, chief financial officer and / or company secretary of various ASX-listed companies in the Oil & Gas, mining, mineral exploration and other sectors.

Prior to those roles, Alex worked at Deloitte in London and Perth. Alex also holds an honours degree in Chemistry from the University of Leeds in the United Kingdom and is principal of Erasmus Consulting Pty Ltd which provides company secretarial and financial management consultancy services to a variety of ASX-listed and other companies.

## DIRECTORS' REPORT

### Interests in the shares and options of the Company

The following relevant interests (including indirect interests) in shares and options of the Company or a related body corporate were held by the Directors as at the date of this report or the date each Director ceased to be a Director, as applicable.

| Directors                                  | Fully paid ordinary shares | Options     |
|--------------------------------------------|----------------------------|-------------|
| Mr Tommy Cheng*                            | -                          | 1,500,000** |
| Mr Raymond Tam                             | -                          | -           |
| Mr Murray D'Almeida                        | -                          | -           |
| Mr Chris Berkefeld                         | -                          | -           |
| Mr Paul Underwood (at time of resignation) | 704,000**                  | 1,000,000** |
| Mr Garry Ralston                           | 300,000**                  | 25,000**    |
| Mr Man Kin (Raymond) Tam                   | -                          | -           |

\*Mr Cheng is a nominee of the BGBS Group, a substantial shareholder of the Company which currently holds 19,202,602 shares (44.5%).

\*\*As restated for the 1:40 Share consolidation approved by Shareholders at the 2017 Annual General Meeting.

### Share Capital

As at the date of this report, the Company had 43,197,632 Ordinary Shares on issue (2017: 1,132,940,941, prior to 1:40 share consolidation). No ordinary shares were issued by the Company during or since the end of the financial year as a result of the exercise of an option. There are no unpaid amounts on the shares issued.

At the date of this report unissued ordinary shares of the Company under option are:

| Class        | Expiry Date    | Exercise price | Number of options |
|--------------|----------------|----------------|-------------------|
| G            | 31 August 2018 | \$0.60         | 1,925,000         |
| H            | 31 August 2019 | \$0.60         | 2,250,000         |
| <b>TOTAL</b> |                |                | 4,175,000         |

### Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

### Principal Activities

The principal activity of the Group during the year was the exploration for natural resources.

### Review of Operations

#### Aolong JV Project in Heilongjiang (Triple Project Interest – 80%)

Exploration activity during the year was focused on regional technical studies to evaluate the prospectivity of the Hegang project area as well as other areas to which the Aolong Co-operative Joint Venture (CJV) holds contractual rights to acquire interests under any potential future extension or variation of the CJV area. The joint venture partners continue to discuss necessary measures for closer cooperation, to minimize any future development conflicts as well as identifying other project areas suitable for gas production, having regard to the geological complexities apparent in the project area. Work in the forthcoming quarter is expected to be focused on the identification and working-up of potential sites for future drilling during 2018 (subject to funding and the successful outcome of joint venture discussions).

## DIRECTORS' REPORT

### *Shaanmei Project Areas (Triple Project Interest – rights to hold 80%)*

As previously announced, a cooperation agreement (**Agreement**) is in place with Shaanxi Province Coal Bed Methane Exploitation and Utilization Co. Ltd., a subsidiary of Shaanmei Coal Mining Company (**Shaanmei**).

The Agreement covers production sharing for Coal Bed Methane Drainage of three linked areas in Wangfeng and Shangshuping Mining Areas in Hancheng, Shaanxi Province and covers in excess of 160km<sup>2</sup>. The Agreement provides for a profit-sharing arrangement and Triple has the right to wholly-own the HK and PRC entities which have an 80% profit interest.

Under the Agreement terms Triple was required to provide RMB5,000,000 (~A\$1,000,000) as a performance surety. TNP's largest shareholder, BGBS has arranged and advanced this funding in support of TNP, with the funding initially in the form of a renewable loan facility between BGBS and the project entity. BGBS continues to support TNP in this respect.

Work performed during the first quarter of 2018 has again concentrated on ongoing technical studies with the objective of identifying appropriate potential well sites and drilling techniques both within the contracted project areas and other areas of potential future co-operation with Shaanmei.

### *Corporate & Financial*

On 18 July 2017 Triple announced the appointments of Mr Murray d'Almeida and Mr Chris Berkefeld to the Board as independent non-executive directors. Concurrently with the appointments, Mr Paul Underwood and Mr Garry Ralston resigned from the Board.

In August 2017 at the Company's Annual General Meeting, Shareholders voted to approve the consolidation of the Company's shares on the basis of one new share for every 40 shares previously on issue and this consolidation took effect during early September 2017.

On 30 November 2017, the Company announced that it had agreed to place 2 million new fully paid ordinary shares to a high net worth sophisticated investor in the Peoples Republic of China (**PRC**) at an issue price of 16 cents per Share to raise approximately A\$320,000 before associated costs (**Placement**). The Placement Shares were subsequently issued on 13 December 2017.

Triple staff in Australia, HK and PRC, including and supported by BGBS employees, continue to work actively on the evaluation of other potential new projects consistent with the Company's strategy.

As of 31 March 2018 the Group's consolidated cash balance was A\$280,053, including funds held by the Aolong CJV in China but excluding funds held by the Shaanmei project entity (and associated RMB 5m debt facilities with BGBS) pending transfer of the relevant subsidiaries. As previously disclosed, Triple continues to have the benefit of financial, strategic and operational support from BGBS and its management in continuing its operations and meet its business objectives and additional working capital of HKD500k was made available to BGBS Triple's HK subsidiary during the quarter by way of an interest-free unsecured loan. Triple's board anticipates that BGBS will continue to assist with and facilitate future capital-raising initiatives consistent with pursuing the Company's objectives.

### *Operating Results for the Year*

The consolidated net loss after income tax attributable to members of the Group amounted to \$624,559 (2017: \$1,873,892 – as restated following the adoption of a voluntary change in accounting policy for deferred exploration and evaluation assets).

### *Review of Financial Conditions*

As at 31 March 2018 the Group held \$280,053 in cash and cash equivalents.

### *Significant Changes in the State of Affairs of the Group*

Other than the capital raisings, share consolidation and operational updates as noted elsewhere in this Report, there have been no significant changes in the state of affairs of the Group to the date of this Report.

### *Significant Events After Balance Date*

No matter or circumstance has arisen since 31 March 2018 that in the opinion of the Directors has significantly affected, or may significantly affect in future financial years:

- (i) the Group's operations;
- (ii) the results of those operations; or
- (iii) the Group's state of affairs.

## DIRECTORS' REPORT

### ***Likely Developments and Expected Results***

The Group continues to evaluate new projects complimentary with the business model of finding and developing producing gas projects in China.

Except as disclosed herein, disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

### ***Environmental Legislation***

The Group is subject to the usual environmental and monitoring requirements in respect of its natural resources exploration activities in China.

The Directors are not aware of any significant breaches of these requirements during the year.

### ***Indemnification and Insurance of Directors and Officers***

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## DIRECTORS' REPORT

### Remuneration Report

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the Key Management Personnel of Triple Energy Limited (the "Company") for the financial year ended 31 March 2018. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

#### *Key Management Personnel*

##### **(i) Directors**

Mr Tommy Cheng (Non-Executive Chairman)

Mr Raymond Tam (Alternate Director for Mr Tommy Cheng, appointed 4 April 2017)

Mr Murray d'Almeida (Independent Non-Executive Director, appointed 18 July 2017)

Mr Chris Berkefeld (Independent Non-Executive Director, appointed 18 July 2017)

Mr Garry Ralston (Former Independent Non-Executive Director, resigned 18 July 2017)

Mr Paul Underwood (Former Non-Executive Director, resigned 18 July 2017)

##### **(ii) Executives**

Mr Alex Neuling (Company Secretary)

#### *Remuneration philosophy*

The performance of the Company depends upon the quality of the Directors and Executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

#### *Remuneration Committee*

The Board, in its capacity as the Remuneration Committee of the Board of Directors of the Company; and in accordance with the Remuneration Committee Charter is responsible for determining and reviewing compensation arrangements for the directors, the CEO and the executive team.

The Board assesses the appropriateness of the nature and amount of remuneration of Directors and Executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

#### *Remuneration structure*

In accordance with best practice Corporate Governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

#### *Non-Executive Director remuneration*

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 31 August 2010 when shareholders approved an aggregate remuneration of up to \$250,000 per year.

## DIRECTORS' REPORT

### Remuneration report (continued)

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Director (other than an Alternate Director) is entitled to receive a fee for being a Director of the Company, however the Company's Chairman, Mr Tommy Cheng, has waived his entitlement to receive a Directors fee.

The remuneration of Non-Executive Directors for the year ended 31 March 2018 is detailed in the Remuneration of Directors and named Executives in Table 1 of this report.

#### *Senior Manager and Executive Director remuneration*

Remuneration consists of fixed remuneration and Company options (as determined from time to time). In addition to the Company employees and Directors, the Company engages key consultants on a contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

#### *Fixed Remuneration*

Fixed remuneration is reviewed annually or as required by the full Board (assuming the role of the Remuneration Committee and in accordance with the Remuneration Committee charter). The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of Key Management Personnel is detailed in Table 1.

#### *Variable Remuneration*

Executives (including Executive Directors) are eligible to participate in the Company's Short Term Incentive (bonus) schemes, as well as Long Term Incentives arrangements in the form of the grant of share options or participation in the Company Employee Share Scheme ("ESS"). During the year ended 31 March 2017, 2,250,000\* options exercisable at 60\* cents per share on or before 31 August 2019 were granted to Directors and Executives pursuant to Shareholder approval granted at the Company's AGM on 30 August 2016. 1,750,000 of which were issued to key management personnel. The fair value of options granted was \$0.20\* per option. The options were subject to vesting criteria (refer Note 15 of the financial report). As of the date of this report the vesting criteria are no longer capable of being met, and, as such, no expense has been recognised.

*\*Option numbers, exercise price and fair values above are all presented as restated for the Company's 1:40 Share Consolidation approved by Shareholders at the 2017 Annual General Meeting.*

#### *Key Management Personnel Employment & Service Contracts*

The Company has entered into service contracts with entities controlled by its independent non-executive Directors. The service contracts provide for a fee of \$3,333 per month to be paid to the entities for the provision of services by the respective Directors and may be terminated by the Company or counterparty on one month's notice.

#### *AJ Neuling – Company Secretary*

The Company has engaged Erasmus Consulting Pty Ltd ("Erasmus") to provide consulting services including services provided by Mr Neuling (an employee and Director of Erasmus). The consulting contract between the Company and Erasmus incorporates a monthly minimum retainer of \$1,800 (excluding GST) and additional fees on an hourly rate for work performed by Erasmus personnel in excess of 10 director-level staff hours per month.

## DIRECTORS' REPORT

**Table 1: Directors' and named executives' remuneration for the year ended 31 March 2018**

|                     | Short-term employee benefits |          |                       | Post-employment benefits |                     |          | Equity   | Total         | Performance Related |
|---------------------|------------------------------|----------|-----------------------|--------------------------|---------------------|----------|----------|---------------|---------------------|
|                     | Salary & Fees                | Bonuses  | Non-Monetary Benefits | Superannuation           | Prescribed Benefits | Options  |          |               |                     |
| Mr Tommy Cheng      | \$ -                         | \$ -     | \$ -                  | \$ -                     | \$ -                | \$ -     | \$ -     | \$ -          | 0%                  |
| Mr Murray D'Almeida | 24,998                       | -        | -                     | -                        | -                   | -        | -        | 24,998        | 0%                  |
| Mr Chris Berkfeld   | 26,664                       | -        | -                     | -                        | -                   | -        | -        | 26,664        | 0%                  |
| Mr Paul Underwood   | 25,000                       | -        | -                     | -                        | -                   | -        | -        | 25,000        | 0%                  |
| Mr Garry Ralston    | 12,000                       | -        | -                     | -                        | -                   | -        | -        | 12,000        | 0%                  |
| Mr Alex Neuling*    | -                            | -        | -                     | -                        | -                   | -        | -        | -             | 0%                  |
| Mr Raymond Tam      | -                            | -        | -                     | -                        | -                   | -        | -        | -             | 0%                  |
| <b>Total</b>        | <b>88,662</b>                | <b>-</b> | <b>-</b>              | <b>-</b>                 | <b>-</b>            | <b>-</b> | <b>-</b> | <b>88,662</b> | <b>0%</b>           |

\*Mr Neuling is not directly remunerated by the Company. Erasmus Consulting Pty Ltd, an entity controlled by Mr Neuling, received consulting fees of \$50,924 during the year.

**Table 2: Directors' and named executives' remuneration for the year ended 31 March 2017**

|                          | Short-term employee benefits |          |                       | Post-employment benefits |                     |          | Equity   | Total          | Performance Related |
|--------------------------|------------------------------|----------|-----------------------|--------------------------|---------------------|----------|----------|----------------|---------------------|
|                          | Salary & Fees                | Bonuses  | Non-Monetary Benefits | Superannuation           | Prescribed Benefits | Options  |          |                |                     |
| Mr Tommy Cheng           | \$ -                         | \$ -     | \$ -                  | \$ -                     | \$ -                | \$ -     | \$ -     | \$ -           | 0%                  |
| Mr Paul Underwood        | 125,291                      | -        | -                     | 12,587                   | -                   | -        | -        | 137,878        | 0%                  |
| Mr Po Chan               | 105,222                      | -        | -                     | -                        | -                   | -        | -        | 105,222        | 0%                  |
| Mr Garry Ralston         | 36,000                       | -        | -                     | -                        | -                   | -        | -        | 36,000         | 0%                  |
| Mr Alex Neuling*         | -                            | -        | -                     | -                        | -                   | -        | -        | -              | 0%                  |
| Mr Man Kin (Raymond) Tam | -                            | -        | -                     | -                        | -                   | -        | -        | -              | 0%                  |
| <b>Total</b>             | <b>266,513</b>               | <b>-</b> | <b>-</b>              | <b>12,587</b>            | <b>-</b>            | <b>-</b> | <b>-</b> | <b>279,100</b> | <b>0%</b>           |

\*Mr Neuling is not directly remunerated by the Company. Erasmus Consulting Pty Ltd, an entity controlled by Mr Neuling, received consulting fees of \$61,952 during the year.

## DIRECTORS' REPORT (continued)

### Remuneration report (continued)

### Remuneration of directors and named executives

#### (iii) Share-based payments granted as compensation

No options were granted as remuneration during the year to 31 March 2018. For details of options granted during the 2017 financial year refer to Note 15 of the financial report and the variable remuneration section of this remuneration report.

No options granted as compensation were exercised or lapsed in the current financial year.

#### (iv) Option holdings of Key Management Personnel

As at 31 March 2018

|                     | Balance at beginning of period* | Granted as remuneration | Options expired | Net change Other | Balance at end of period |
|---------------------|---------------------------------|-------------------------|-----------------|------------------|--------------------------|
| Mr Tommy Cheng      | 1,500,000                       | -                       | -               | -                | 1,500,000                |
| Mr Murray D'Almeida | -                               | -                       | -               | -                | -                        |
| Mr Chris Berkefeld  | -                               | -                       | -               | -                | -                        |
| Mr Raymond Tam      | -                               | -                       | -               | -                | -                        |
| Mr Paul Underwood** | 1,000,000                       | -                       | -               | -                | 1,000,000                |
| Mr Garry Ralston**  | 25,000                          | -                       | -               | -                | 25,000                   |
| Mr Alex Neuling     | 25,000                          | -                       | -               | -                | 25,000                   |
| <b>Total</b>        | <b>2,550,000</b>                | <b>-</b>                | <b>-</b>        | <b>-</b>         | <b>2,550,000</b>         |

\* As restated for the 1:40 Share Consolidation approved by Shareholders at the Company's 2017 AGM.

\*\* Held at date of resignation

#### (v) Shareholdings of Key Management Personnel

As at 31 March 2018

|                          | Balance at beginning of period* | Granted as remuneration | On Exercise of Options | Net change Other | Balance at end of period |
|--------------------------|---------------------------------|-------------------------|------------------------|------------------|--------------------------|
|                          | Number                          | Number                  | Number                 | Number           | Number                   |
| Mr Tommy Cheng**         | -                               | -                       | -                      | -                | -                        |
| Mr Murray D'Almeida      | -                               | -                       | -                      | -                | -                        |
| Mr Chris Berkefeld       | -                               | -                       | -                      | -                | -                        |
| Mr Man Kin (Raymond) Tam | -                               | -                       | -                      | -                | -                        |
| Mr Paul Underwood***     | 704,000                         | -                       | -                      | -                | 704,000                  |
| Mr Garry Ralston***      | 300,000                         | -                       | -                      | -                | 300,000                  |
| Mr Alex Neuling          | 197,500                         | -                       | -                      | -                | 197,500                  |
| <b>Total</b>             | <b>1,201,500</b>                | <b>-</b>                | <b>-</b>               | <b>-</b>         | <b>1,201,500</b>         |

\* As restated for the 1:40 Share Consolidation approved by Shareholders at the Company's 2017 AGM.

\*\*Mr Cheng is a nominee of BGBS, a substantial shareholder of the Company which holds 19,202,602 ordinary shares as at the date of this report (44.5%).

\*\*\* Held at date of resignation.

**END OF REMUNERATION REPORT**

## DIRECTORS' REPORT (continued)

### Directors' Meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

| Director            | Board Meetings* |                    |
|---------------------|-----------------|--------------------|
|                     | Attended        | Eligible to Attend |
| Mr Tommy Cheng*     | -               | 4                  |
| Mr Raymond Tam*     | 4               | 4                  |
| Mr Murray d'Almeida | 1               | 1                  |
| Mr Chris Berkefeld  | 1               | 1                  |
| Mr Garry Ralston    | 3               | 3                  |
| Mr Paul Underwood   | 2               | 2                  |

\*Excludes matters decided by circulating resolution. Mr Tam attended as alternate for Mr Cheng.

Separate meetings of the Audit and Remuneration Committees did not take place during the year with relevant business being considered by the full Board.

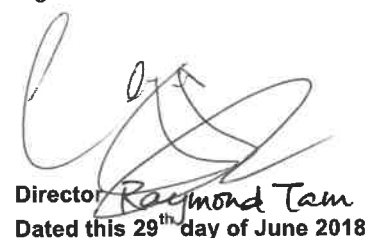
### Auditor's Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 14 and forms part of this directors' report for the year ended 31 March 2018.

### Non-Audit Services

There were no non-audit services provided by the Company's auditors in the current financial year.

Signed in accordance with a resolution of the Directors.



Director *Raymond Tam*  
Dated this 29<sup>th</sup> day of June 2018



Accountants | Business and Financial Advisers

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Triple Energy Limited for the year ended 31 March 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
29 June 2018



D I Buckley  
Partner

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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# **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018**

|                                                                                                                                  | Notes | 2018<br>\$ | 2017<br>\$<br>(Restated) |
|----------------------------------------------------------------------------------------------------------------------------------|-------|------------|--------------------------|
| <b>Continuing operations</b>                                                                                                     |       |            |                          |
| Other income                                                                                                                     | 2     | 2,171      | 5,375                    |
| Other expenses                                                                                                                   | 2     | (626,730)  | (1,879,267)              |
| <b>Loss before income tax expense</b>                                                                                            |       | (624,559)  | (1,873,892)              |
| Income tax expense                                                                                                               | 3     | -          | -                        |
| <b>Loss after tax expense</b>                                                                                                    |       | (624,559)  | (1,873,892)              |
| <b>Net (loss) for the year</b>                                                                                                   |       | (624,559)  | (1,873,892)              |
| <b>Other comprehensive income/(loss)</b>                                                                                         |       |            |                          |
| <i>Items that may be reclassified to profit or loss</i>                                                                          |       |            |                          |
| Exchange differences on translation of foreign operations                                                                        |       | (29,837)   | 136,774                  |
| <b>Total comprehensive income/(loss) for the year</b>                                                                            |       | (654,396)  | (1,737,118)              |
| <b>Loss attributable to:</b>                                                                                                     |       |            |                          |
| Owners of the group                                                                                                              |       | (618,768)  | (1,850,021)              |
| Non-controlling interests                                                                                                        |       | (5,791)    | (23,871)                 |
| <b>Loss for the year</b>                                                                                                         |       | (624,559)  | (1,873,892)              |
| <b>Total comprehensive loss attributable to:</b>                                                                                 |       |            |                          |
| Owners of the group                                                                                                              |       | (642,638)  | (1,740,602)              |
| Non-controlling interests                                                                                                        |       | (11,758)   | 3,484                    |
| <b>Loss for the year</b>                                                                                                         |       | (654,396)  | (1,737,118)              |
| Basic and diluted loss per share (cents per share)<br>(as adjusted and restated for the effects of the 1:40 Share Consolidation) | 4     | (1.48)     | (4.98)                   |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

|                                  |       | 2018         | 2017             |
|----------------------------------|-------|--------------|------------------|
|                                  | Notes | \$           | (Restated)<br>\$ |
| <b>Assets</b>                    |       |              |                  |
| <b>Current Assets</b>            |       |              |                  |
| Cash and cash equivalents        | 6     | 280,053      | 857,360          |
| Other current assets             | 7     | 19,616       | 24,723           |
| <b>Total Current Assets</b>      |       | 299,669      | 882,083          |
| <b>Total Assets</b>              |       | 299,669      | 882,083          |
| <b>Liabilities</b>               |       |              |                  |
| <b>Current Liabilities</b>       |       |              |                  |
| Trade and other payables         | 8     | (679,991)    | (1,004,426)      |
| Shares to be issued              | 10    | -            | (480,000)        |
| Borrowings                       | 9     | (82,978)     | -                |
| <b>Total Current Liabilities</b> |       | (762,969)    | (1,484,426)      |
| <b>Non-Current Liabilities</b>   |       | -            | -                |
| <b>Total Liabilities</b>         |       | (762,969)    | (1,484,426)      |
| <b>Net Liabilities</b>           |       | (463,300)    | (602,343)        |
| <b>Equity</b>                    |       |              |                  |
| Issued capital                   | 11    | 36,645,591   | 35,852,152       |
| Reserves                         | 12    | 780,393      | 804,263          |
| Accumulated losses               | 12    | (37,790,526) | (37,171,758)     |
| <b>Parent entity interest</b>    |       | (364,542)    | (515,343)        |
| Non-controlling interests        | 12    | (98,758)     | (87,000)         |
| <b>Total equity</b>              |       | (463,300)    | (602,343)        |

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

|                                                                            | Issued Capital    | Reserves       | Accumulated Losses  | Total            | Non-controlling interests | Total equity     |
|----------------------------------------------------------------------------|-------------------|----------------|---------------------|------------------|---------------------------|------------------|
|                                                                            | \$                | \$             | \$                  | \$               |                           | \$               |
| <b>As at 1 April 2016 (restated)</b>                                       | 34,295,921        | 694,844        | (35,321,737)        | (330,972)        | (90,484)                  | (421,456)        |
| Loss for the period                                                        | -                 | -              | (1,850,021)         | (1,850,021)      | (23,871)                  | (1,873,892)      |
| Foreign exchange reserve movements on translation of overseas subsidiaries | -                 | 136,774        | -                   | 136,774          | -                         | 136,774          |
| Changes in net assets attributable to non-controlling interests            | -                 | (27,355)       | -                   | (27,355)         | 27,355                    | -                |
| Total comprehensive loss for the period                                    | -                 | 109,419        | (1,850,021)         | (1,740,602)      | 3,484                     | (1,737,118)      |
| Ordinary Shares Issued                                                     | 1,747,826         | -              | -                   | 1,747,826        | -                         | 1,747,826        |
| Performance Share Adjustment                                               | (89,458)          | -              | -                   | (89,458)         | -                         | (89,458)         |
| Transaction costs on share issue                                           | (102,137)         | -              | -                   | (102,137)        | -                         | (102,137)        |
| <b>As at 31 March 2017</b>                                                 | 35,852,152        | 804,263        | (37,171,758)        | (515,343)        | (87,000)                  | (602,343)        |
| <b>As at 1 April 2017</b>                                                  | 35,852,152        | 804,263        | (37,171,758)        | (515,343)        | (87,000)                  | (602,343)        |
| Loss for the period                                                        | -                 | -              | (618,768)           | (618,768)        | (5,791)                   | (624,559)        |
| Foreign exchange reserve movements on translation of overseas subsidiaries | -                 | (29,837)       | -                   | (29,837)         | -                         | (29,837)         |
| Changes in net assets attributable to non-controlling interests            | -                 | 5,967          | -                   | 5,967            | (5,967)                   | -                |
| Total comprehensive loss for the period                                    | -                 | (23,870)       | (618,768)           | (642,638)        | (11,758)                  | (654,396)        |
| Shares and options issued                                                  | 800,000           | -              | -                   | 800,000          | -                         | 800,000          |
| Transaction costs on share issue                                           | (6,561)           | -              | -                   | (6,561)          | -                         | (6,561)          |
| <b>As at 31 March 2018</b>                                                 | <b>36,645,591</b> | <b>780,393</b> | <b>(37,790,526)</b> | <b>(364,542)</b> | <b>(98,758)</b>           | <b>(463,300)</b> |

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

|                                                           |       | 2018               | 2017        |
|-----------------------------------------------------------|-------|--------------------|-------------|
|                                                           | Notes | \$                 | \$          |
|                                                           |       |                    | (restated)  |
|                                                           |       | Inflows/(Outflows) |             |
| <b>Cash flows from operating activities</b>               |       |                    |             |
| Interest received                                         |       | 2,171              | 5,375       |
| Payments to suppliers and employees                       |       | (975,893)          | (1,600,024) |
| <b>Net cash flows (used in) operating activities</b>      | 6     | (973,722)          | (1,594,649) |
| <b>Cash flows from investing activities</b>               |       |                    |             |
| Payments for exploration and evaluation expenditure       |       | -                  | -           |
| Payments for other fixed assets                           |       | -                  | -           |
| Loans to other entities                                   |       | -                  | -           |
| Net cash flows on acquisition of subsidiary               |       | -                  | -           |
| <b>Net cash flows (used in)/from investing activities</b> |       | -                  | -           |
| <b>Cash flows from financing activities</b>               |       |                    |             |
| Proceeds from issue of shares and options                 |       | 320,000            | 2,227,826   |
| Proceeds from borrowings                                  |       | 82,978             | -           |
| Transaction costs on issue of shares                      |       | (6,561)            | (196,994)   |
| <b>Net cash flows from financing activities</b>           |       | 396,417            | 2,030,832   |
| Net increase/(decrease) in cash and cash equivalents      |       | (577,305)          | 436,183     |
| Foreign Exchange                                          |       | (2)                | 18,057      |
| Cash and cash equivalents at the beginning of the period  | 6     | 857,360            | 403,120     |
| <b>Cash and cash equivalents at the end of the period</b> |       | 280,053            | 857,360     |

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Company and its subsidiaries (the Group). For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial statements have also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements are presented in Australian dollars.

The Company is a listed public company, domiciled in Australia and operating in Australia (with subsidiaries operating internationally). The principal activity of the Group is the exploration for natural resources.

#### **Going Concern**

For the year ended 31 March 2018 the Group recorded a net loss of \$624,559, has a working capital deficit of \$463,300 and a net operating cash outflow of \$973,722.

Notwithstanding the above, the financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business and on the assumption of sufficient funds continuing to be available for the operations of the Company and its subsidiaries.

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that the Company can continue to fund the consolidated entity's operations and further develop its projects during the twelve month period from the date of this financial report. The Directors expect that the Company will be able to continue to raise the funds required to meet its obligations as and when they fall due, noting the ongoing support of its largest shareholder, the BGBS group in assisting the Company in accessing new investors and also in directly providing bridging finance.

In the event that the Company is unsuccessful in deriving sufficient additional funding for its operations there would exist a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

#### (b) Adoption of new and revised standards

##### **Changes in accounting policies on initial application of Accounting Standards**

In the year ended 31 March 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 31 March 2018. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

#### (c) Statement of compliance

The financial statements were authorised for issue on 29 June 2018.

The financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

#### (d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Triple Energy Ltd ('the Company') as at 31 March 2018 and the results of all subsidiaries for the year then ended. Triple Energy Ltd and its subsidiaries are referred to in this financial report as the group or the consolidated entity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### (d) Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

### (e) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Share-based payment transactions:*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model. The Group measures the cost of share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 15.

#### *Valuation of Performance Shares:*

During the 2016 year the Group issued 595.3 million drilling performance shares to the BSP group in consideration for the procurement of drilling services. The accounting value of the Performance Shares was determined using the market value of the Company's shares as at the date of issue of the performance shares and with an assessment carried out at balance date as to the value of the drilling services performed and thereby the number of performance shares deemed likely to have vested at that date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### (f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

### (g) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (h) Trade and other receivables

Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

### (i) Property, plant and equipment

Plant and equipment other than plant and equipment held solely for use on an exploration and evaluation project is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Tangible fixed assets held solely for use on an exploration and evaluation project may be capitalised in accordance with this policy, or alternatively expensed immediately as appropriate on an area of interest basis. Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Leasehold Improvements – lease term

Plant and equipment – over 5 to 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

#### (i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### *(iii) Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

### **(j) Derecognition of financial assets and financial liabilities**

#### *(i) Financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

#### *(ii) Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### **(k) Foreign currency translation**

The functional and presentation currency of Triple Energy Limited is Australian dollars. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### **(l) Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### (l) Income tax (continued)

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;  
or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

### (m) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### (n) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### (o) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

### (p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

### (q) Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Triple Energy Limited (market conditions) if applicable.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income or expense for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

### (r) Issued capital

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(s) Earnings per share**

Basic earnings per share is calculated as net profit / loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit / loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**(t) Exploration and evaluation**

Exploration and evaluation costs are expensed as incurred based upon each area of interest. Acquisition costs will normally be expensed but will be assessed on a case by case basis and if appropriate may be capitalised. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the tenement. Where a decision has been made to proceed with development in respect of a particular area of interest, all future costs are recorded as a development asset.

**(u) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Triple Energy Limited.

**(v) Parent entity financial information**

The financial information for the parent entity, Triple Energy Limited, disclosed in Note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below:

*a. investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements.

*b. Share-based payments*

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received; measured by reference to the grant date fair value, is recognised over the vesting period as an increase to the investment in subsidiary undertaking, with a corresponding credit to equity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 2: REVENUES AND EXPENSES

|                                             | CONSOLIDATED          |                          |
|---------------------------------------------|-----------------------|--------------------------|
|                                             | 2018<br>\$            | 2017<br>(restated)<br>\$ |
| <b>(a) Other income</b>                     |                       |                          |
| Interest                                    | 2,171                 | 5,375                    |
|                                             | <u>2,171</u>          | <u>5,375</u>             |
| <b>(b) Expenses</b>                         |                       |                          |
| <b>Project costs</b>                        |                       |                          |
| Exploration and Evaluation Expenses         | 136,953               | 165,965                  |
| Project and Business Development            |                       |                          |
| Wages and Salaries                          | 255,457               | 336,907                  |
| Travel and associated                       | 38,706                | 255,600                  |
| Other business development                  | 215,053               | 402,431                  |
| Less recharge of expenses                   | (271,723)             | -                        |
| <b>Total project costs</b>                  | <u>374,446</u>        | <u>1,160,903</u>         |
| <b>Corporate Administration Costs</b>       |                       |                          |
| Directors Fees                              | 65,722                | 51,630                   |
| Wages and Salaries                          | -                     | 276,460                  |
| Consulting fees                             | 61,435                | 56,425                   |
| Superannuation                              | -                     | 16,783                   |
| Legal Fees                                  | -                     | 66,899                   |
| Accounting & Auditing                       | 45,996                | 46,307                   |
| Occupancy Costs                             | 10,848                | 23,007                   |
| Other Administrative                        | 2,551                 | 82,520                   |
| Listing and Compliance                      | 65,732                | 98,333                   |
| <b>Total corporate administration costs</b> | <u>252,484</u>        | <u>718,364</u>           |
| <b>Total Expenses</b>                       | <u><b>626,730</b></u> | <u><b>1,879,267</b></u>  |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 3: INCOME TAX

|                                                                       | CONSOLIDATED |             |
|-----------------------------------------------------------------------|--------------|-------------|
|                                                                       | 2018<br>\$   | 2017<br>\$  |
| (a) Income tax benefit                                                | -            | -           |
| (b) Numerical reconciliation between tax expense and pre-tax net loss |              |             |
| Loss before income tax benefit                                        | (624,559)    | (1,873,892) |
| Income tax using the Company's domestic tax rate of 30% (2017: 30%)   | (187,368)    | (562,168)   |
| Non-deductible expenses/(deductible tax adjustments)                  | 23           | 30          |
| Current year losses for which no deferred tax asset was recognised    | 187,345      | 562,138     |
| Income tax benefit/(expense) attributable to entity                   | -            | -           |

### (c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Company satisfying the requirements imposed by the regulatory authorities. The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and an amount sufficient to enable the benefit to be realised; and
- The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

As at 31 March 2018 the Company has estimated carry forward tax losses of Triple Energy Limited as the parent entity of \$3,225,998 (31 March 2017: \$2,601,439). As at balance date the quantum of assessable losses in foreign jurisdictions is yet to be determined.

|                                                                                                                    | CONSOLIDATED |            |
|--------------------------------------------------------------------------------------------------------------------|--------------|------------|
|                                                                                                                    | 2018<br>\$   | 2017<br>\$ |
| (d) Unrecognised temporary differences                                                                             |              |            |
| Net deferred tax assets (calculated at 30% (2017:30%)) have not been recognised in respect of the following items: |              |            |
| Accruals and other creditors                                                                                       | 24,546       | 131,309    |
| Other timing differences                                                                                           | (5,885)      | (7,417)    |
| Unrecognised deferred tax assets/(liabilities) relating to the above temporary differences                         | 18,661       | 123,892    |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 4: LOSS PER SHARE

|                                                                                                                                     | CONSOLIDATED |                          |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------|
|                                                                                                                                     | 2018<br>\$   | 2017<br>(restated)<br>\$ |
| <b>(a) Earnings used in calculating earnings per share</b>                                                                          |              |                          |
| For basic loss per share:                                                                                                           |              |                          |
| Loss from Continuing Operations                                                                                                     | (618,768)    | (1,850,021)              |
| <b>(b) Weighted average number of shares</b>                                                                                        |              |                          |
| Weighted average number of ordinary shares for basic earnings per share                                                             | 41,753,427   | 37,114,833*              |
| <i>*as adjusted for the 1:40 Share consolidation approved by Shareholders at the 2017 AGM</i>                                       |              |                          |
| There are no potential ordinary shares that are considered dilutive, as a result no dilutive earnings per share has been disclosed. |              |                          |

### NOTE 5: OPERATING SEGMENTS

#### Identification of reportable segments

Triple Energy Limited is focused on the oil and gas sector.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of its interests and projects. Discrete financial information about each of these projects is reported to the executive management team on at least a monthly basis.

#### Location of interests and nature of projects

Oil and gas exploration projects

The Group's current project is located in the People's Republic of China. The Company continues to review other potential opportunities within the oil and gas sector internationally.

#### Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 to the accounts and in the prior period.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

## NOTE 5: OPERATING SEGMENTS (continued)

|                                         | CONSOLIDATED         |             |           |
|-----------------------------------------|----------------------|-------------|-----------|
|                                         | Oil and Gas Projects | Unallocated | Total     |
|                                         | \$                   | Items<br>\$ | \$        |
| Year ended 31 March 2018                |                      |             |           |
| Total segment revenue                   | -                    | 2,171       | 2,171     |
| Segment net operating loss after tax    | (374,446)            | (250,113)   | (624,559) |
| Interest revenue                        | -                    | 2,171       | 2,171     |
| Other non-cash expenses                 | -                    | -           | -         |
| Segment assets                          | 131,317              | 168,352     | 299,669   |
| Segment liabilities                     | 710,403              | 52,566      | 762,969   |
| Cash flow information                   |                      |             |           |
| Net cash flow from operating activities | (550,450)            | (423,272)   | (973,722) |
| Net cash flow from investing activities | -                    | -           | -         |
| Net cash flow from financing activities | 82,978               | 313,439     | 396,417   |

|                                         | CONSOLIDATED         |             |             |
|-----------------------------------------|----------------------|-------------|-------------|
|                                         | Oil and Gas Projects | Unallocated | Total       |
|                                         | \$                   | Items<br>\$ | \$          |
| Year ended 31 March 2017                |                      |             |             |
| Total segment revenue                   | -                    | 5,375       | 5,375       |
| Segment net operating loss after tax    | (1,160,903)          | (718,364)   | (1,879,267) |
| Interest revenue                        | -                    | 5,375       | 5,375       |
| Other non-cash expenses                 | -                    | -           | -           |
| Segment assets                          | 121,960              | 760,123     | 882,083     |
| Segment liabilities                     | (554,773)            | (929,653)   | (1,484,426) |
| Cash flow information                   |                      |             |             |
| Net cash flow from operating activities | (652,211)            | (942,438)   | (1,594,649) |
| Net cash flow from investing activities | -                    | -           | -           |
| Net cash flow from financing activities | -                    | 2,030,832   | 2,030,832   |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 6: CASH AND CASH EQUIVALENTS

|                          | CONSOLIDATED   |                |
|--------------------------|----------------|----------------|
|                          | 2018           | 2017           |
|                          | \$             | \$             |
| Cash at bank and on hand | 280,053        | 842,052        |
| Bank guarantee           | -              | 15,308         |
|                          | <u>280,053</u> | <u>857,360</u> |

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

|                                                                                        | CONSOLIDATED     |                    |
|----------------------------------------------------------------------------------------|------------------|--------------------|
|                                                                                        | 2018             | 2017               |
|                                                                                        | \$               | \$                 |
| <b>Reconciliation of loss for the year to net cash flows from operating activities</b> |                  |                    |
| Loss for the year                                                                      | (624,559)        | (1,873,892)        |
| Adjustments for:                                                                       |                  |                    |
| Change in net assets and liabilities:                                                  |                  |                    |
| (Increase)/decrease in trade and other receivables                                     | 5,107            | 4,297              |
| (Decrease)/increase in trade and other payables                                        | (354,270)        | 274,946            |
| Net cash used in operating activities                                                  | <u>(973,722)</u> | <u>(1,594,649)</u> |

### NOTE 7: OTHER CURRENT ASSETS

|                   | CONSOLIDATED  |               |
|-------------------|---------------|---------------|
|                   | 2017          | 2017          |
|                   | \$            | \$            |
| GST receivables   | 7,043         | (1,386)       |
| Prepayments       | -             | 356           |
| Other receivables | 12,573        | 25,753        |
|                   | <u>19,616</u> | <u>24,723</u> |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 8: TRADE AND OTHER PAYABLES

|                              | CONSOLIDATED |           |
|------------------------------|--------------|-----------|
|                              | 2018         | 2017      |
|                              | \$           | \$        |
| Trade creditors*             | 598,169      | 567,112   |
| Other creditors and accruals | 81,822       | 437,314   |
|                              | 679,991      | 1,004,426 |

\*Trade creditors are non-interest-bearing and normally settled on 45 day terms.

### NOTE 9: BORROWINGS

|                      | CONSOLIDATED |      |
|----------------------|--------------|------|
|                      | 2018         | 2017 |
|                      | \$           | \$   |
| Unsecured borrowings | 82,978       | -    |
|                      | 82,978       | -    |

As disclosed elsewhere, during the year BGBS made available an unsecured interest free loan of HKD 500,000 to the Company's wholly-owned HK subsidiary.

### NOTE 10: SHARES TO BE ISSUED

|                     | CONSOLIDATED |         |
|---------------------|--------------|---------|
|                     | 2018         | 2017    |
|                     | \$           | \$      |
| Shares to be issued | -            | 480,000 |
|                     | -            | 480,000 |

Relates to the placement of 80,000,000 fully paid ordinary shares at 0.6 cents per share on 5 April 2017 (prior to the 1:40 Share Consolidation).

### NOTE 11: ISSUED CAPITAL

|                               | CONSOLIDATED |                |            |            |
|-------------------------------|--------------|----------------|------------|------------|
|                               | 2018<br>No.  | 2017<br>No.    | 2018<br>\$ | 2017<br>\$ |
| <i>Ordinary shares (a)</i>    |              |                |            |            |
| Issued and fully paid         | 43,197,632   | 1,567,900,913* | 35,845,591 | 35,052,152 |
| <i>Performance Shares (b)</i> | -            | -              | 800,000    | 800,000    |
|                               |              |                | 36,645,591 | 35,852,152 |

\*pre-consolidated

#### (a) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll of every holder is entitled to one vote per share held.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 11: ISSUED CAPITAL (CONTINUED)

Movements in ordinary shares on issue during the year are as follows:

|                                                    | 2018            |            | 2017          |            |
|----------------------------------------------------|-----------------|------------|---------------|------------|
| <i>Movements in ordinary shares on issue</i>       | <b>No.</b>      | <b>\$</b>  | <b>No.</b>    | <b>\$</b>  |
| At 1 April                                         | 1,567,900,913   | 35,052,152 | 1,132,940,941 | 31,495,833 |
| Movements during the period:                       |                 |            |               |            |
| Issued for cash (pre-consolidation) <sup>(i)</sup> | 80,000,000      | 480,000    | 116,521,733   | 1,747,826  |
| Conversion of performance shares                   | -               | -          | 318,438,239   | 1,910,630  |
| Share Consolidation <sup>(ii)</sup>                | (1,606,703,281) | -          | -             | -          |
| Issued for cash (post consolidation)               | 2,000,000       | 320,000    | -             | -          |
| Transaction costs                                  |                 | (6,561)    |               | (102,137)  |
| At 31 March                                        | 43,197,632      | 35,845,591 | 1,567,900,913 | 35,052,152 |

- (i) During April 2016 117 million new fully paid ordinary shares were placed at 1.5 cents per share to raise approximately A\$1.75 million before associated costs.

During 5 April 2017 80 million fully paid ordinary shares were placed at 0.6 cents per share on 5 April 2017 (prior to the 1:40 Share Consolidation).

During December 2017 2 million fully paid ordinary shares (on a post-consolidation basis) were placed at 16 cents per share.

- (ii) As disclosed elsewhere, pursuant to Shareholder approval granted at the 2017 AGM, the Company's share capital was consolidated on a 1:40 basis.

### (b) Performance Shares

#### (i) Drilling Performance Shares

During the year to 31 March 2016, the Company issued 595.3 million drilling performance shares to BSP as part of the Shareholder-approved BSP Transaction. Under the terms of the BSP Transaction, the Aolong Joint Venture (80% profit interest to TNP), entered into a drilling contract with Beijing Jiuzun Energy Technology Co Ltd (**Jiuzun Energy**) for the drilling and technical services for the two wells in the Hegang area of Heilongjiang Province in China.

Full responsibility for payment for the Jiuzun Energy drilling services was assumed by BSP in consideration for the drilling performance shares issued to them by Triple. The terms of these performance shares allow for their conversion to ordinary shares on a 1:1 basis upon satisfactory completion of the specified drilling services by an agreed milestone date.

As at 31 December 2015 (the originally scheduled milestone completion date) the 2 wells had been drilled and cored as announced by the Company to ASX previously, however certain other specified components of the drilling services were not able to be met through no fault of Triple or BSP. The independent Directors of Triple (being, in this instance the Directors not nominated by or associated with BSP) resolved to take such remedial action as may be necessary to enable the commercial substance and practical intent of the drilling services arrangements with BSP to be honoured. A

general meeting of the Company was convened and held on 28 June 2016 to enable the drilling performance shares to be reissued on revised terms. Shareholders voted overwhelmingly in favour of reissuing the shares, which was completed immediately following the meeting. Subsequently, the Company and BSP determined a pro-rata vesting of the reissued shares based on the value of drilling services performed up to that date and 318 million new fully paid ordinary shares were issued to BSP, while the balance of 277 million of the reissued drilling performance shares were agreed to have lapsed automatically in accordance with their terms.

The drilling performance shares were valued based on the market price at the time of their original issue (being 24 April 2015) and subject to an assessment as at balance date of the number of performance shares likely to have vested as at that date.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

## NOTE 11: ISSUED CAPITAL (CONTINUED)

Movements in the number of Performance Shares on issue during the current and prior year are as follows:

|                         | 2018<br>No. | 2017<br>No.   |
|-------------------------|-------------|---------------|
| At 1 April              | -           | 595,264,168   |
| Converted during period | -           | (318,438,239) |
| Lapsed during period    | -           | (276,825,929) |
|                         | -           | -             |

### (c) Options

Company options carry no voting rights and no right to dividends.

|                                              | CONSOLIDATED  |             |
|----------------------------------------------|---------------|-------------|
|                                              | 2018<br>No.   | 2017<br>No. |
| Options on issue                             | 4,175,000     | 167,000,000 |
| <i>Movements in share options</i>            |               |             |
| Outstanding at the beginning of the year     | 167,000,000   | 77,000,000  |
| Granted during the year                      | -             | 90,000,000  |
| Expired during the year                      | -             | -           |
| 1:40 Consolidation of Capital <sup>(i)</sup> | (162,825,000) | -           |
| Outstanding at the end of the year           | 4,175,000     | 167,000,000 |

- (i) In accordance with their terms and conditions, the exercise price and numbers of share options on issue was varied automatically in proportion to the share consolidation.

Details of options on issue as at balance date are as follows:

| Class | Number           | Exercise Price     | Expiry date    | Status                     |
|-------|------------------|--------------------|----------------|----------------------------|
| G     | 1,925,000        | 60 cents per share | 31 August 2018 | Not vested and exercisable |
| H     | 2,250,000        | 60 cents per share | 31 August 2019 | Not vested and exercisable |
|       | <b>4,175,000</b> |                    |                |                            |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

## NOTE 12: RESERVES, ACCUMULATED LOSSES & NON-CONTROLLING INTERESTS

|                                                                            | Issued Capital | Share Based Payment Reserve | Foreign Currency Translation Reserve | Consolidation Reserve | Accumulated Losses | Total       | Non-controlling interests | Total equity |
|----------------------------------------------------------------------------|----------------|-----------------------------|--------------------------------------|-----------------------|--------------------|-------------|---------------------------|--------------|
|                                                                            | \$             |                             |                                      |                       | \$                 | \$          | \$                        | \$           |
| <b>As at 1 April 2016 (restated)</b>                                       | 34,295,921     | 859,970                     | 190,199                              | (355,325)             | (35,639,022)       | (330,972)   | (90,484)                  | (421,456)    |
| Loss for the period                                                        | -              | -                           | -                                    | -                     | (1,850,021)        | (1,850,021) | (23,871)                  | (1,873,892)  |
| Foreign exchange reserve movements on translation of overseas subsidiaries | -              | -                           | 136,774                              | -                     | -                  | 136,774     | -                         | 136,774      |
| Changes in net assets attributable to non-controlling interests            | -              | -                           | -                                    | (27,355)              | -                  | (27,355)    | 27,355                    | -            |
| Total comprehensive loss for the period                                    | -              | -                           | 136,774                              | (27,355)              | (1,850,021)        | (1,740,602) | 3,484                     | (1,737,118)  |
| Ordinary Shares Issued                                                     | 1,747,826      | -                           | -                                    | -                     | -                  | 1,747,826   | -                         | 1,747,826    |
| Performance Share Adjustment                                               | (89,458)       | -                           | -                                    | -                     | -                  | (89,458)    | -                         | (89,458)     |
| Transaction costs on share issue                                           | (102,137)      | -                           | -                                    | -                     | -                  | (102,137)   | -                         | (102,137)    |
| <b>As at 31 March 2017</b>                                                 | 35,852,152     | 859,970                     | 326,973                              | (382,680)             | (37,171,758)       | (515,343)   | (87,000)                  | (602,343)    |
| <b>As at 1 April 2017</b>                                                  | 35,852,152     | 859,970                     | 326,973                              | (382,680)             | (37,171,758)       | (515,343)   | (87,000)                  | (602,343)    |
| Loss for the period                                                        | -              | -                           | -                                    | -                     | (618,768)          | (618,768)   | (5,791)                   | (624,559)    |
| Foreign exchange reserve movements on translation of overseas subsidiaries | -              | -                           | (29,837)                             | -                     | -                  | (29,837)    | -                         | (29,837)     |
| Changes in net assets attributable to non-controlling interests            | -              | -                           | -                                    | 5,967                 | -                  | 5,967       | (5,967)                   | -            |
| Total comprehensive loss for the period                                    | -              | -                           | (29,837)                             | 5,967                 | (618,768)          | (642,638)   | (11,758)                  | (654,396)    |
| Shares and options issued                                                  | 800,000        | -                           | -                                    | -                     | -                  | 800,000     | -                         | 800,000      |
| Transaction costs on share issue                                           | (6,561)        | -                           | -                                    | -                     | -                  | (6,561)     | -                         | (6,561)      |
| <b>As at 31 March 2018</b>                                                 | 36,645,591     | 859,970                     | 297,136                              | (376,713)             | (37,790,526)       | (364,542)   | (98,758)                  | (463,300)    |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 12: RESERVES (continued)

#### Share based payment reserve

For ESS transactions, the share based payment reserve is used to record the difference between the issue price of ESS shares and the fair value of consideration received by the Company where a limited-recourse loan from the Company is used to fund the purchase. Also, where equity instruments have been issued as consideration for the acquisition of assets or services and are required to be separately valued, any difference between fair value of the instrument granted and the actual book value of the assets received.

#### Foreign Currency Translation Reserve

This reserve is used to record exchange differences arising on translation of the group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

#### Consolidation Reserve

This reserve recognises adjustments upon consolidation to record the difference between the non-controlling interest's share of the net assets and the equity committed by the non-controlling interest.

### NOTE 13: SUBSIDIARIES

#### Transactions with subsidiaries

The consolidated financial statements include the financial statements of Triple Energy Limited and the subsidiaries listed in the following table:

| Name of subsidiary                 | Principal activity                         | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group |               |
|------------------------------------|--------------------------------------------|--------------------------------------|---------------------------------------------------------------------|---------------|
|                                    |                                            |                                      | 31 March 2018                                                       | 31 March 2017 |
| Tango Energy, Inc                  | Holds interests in Oil and Gas exploration | USA                                  | 100%                                                                | 100%          |
| CFT Heilongjiang (HK) Ltd          | Oil and Gas investment                     | Hong Kong                            | 100%                                                                | 100%          |
| Heilongjiang Aolong Energy Co. Ltd | Coal mine gas exploration                  | China                                | 80%                                                                 | 80%           |

| Name of subsidiary                 | Investment          |                     |
|------------------------------------|---------------------|---------------------|
|                                    | 31 March 2018<br>\$ | 31 March 2017<br>\$ |
| Tango Energy, Inc                  | -                   | -                   |
| CFT Heilongjiang (HK) Ltd          | 800,000             | 800,000             |
| Heilongjiang Aolong Energy Co. Ltd | 2,989,115           | 2,989,115           |

Triple Energy Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and other related entities are disclosed below.

#### Interests in unconsolidated structured entities

The Group has no interests in unconsolidated structured entities at balance date.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

## NOTE 13: SUBSIDIARIES (continued)

### Subsidiaries with material non-controlling interests

The Group has the following subsidiary with a material non-controlling interest:

|                                    | Proportion of ownership interest and voting rights held by the non-controlling interests |      | (Loss) allocated to non-controlling interests |            | Accumulated non-controlling interests |            |
|------------------------------------|------------------------------------------------------------------------------------------|------|-----------------------------------------------|------------|---------------------------------------|------------|
|                                    | 2018                                                                                     | 2017 | 2018                                          | 2017       | 2018                                  | 2017       |
| Heilongjiang Aolong Energy Co. Ltd | 20%                                                                                      | 20%  | \$(5,791)                                     | \$(23,871) | \$(98,758)                            | \$(87,000) |

No dividends were paid to the non-controlling interests during the year (2017: nil).

### Summarised financial information of subsidiary with a material non-controlling interest

Summarised financial information for Heilongjiang Aolong Energy Co. Ltd, before intragroup eliminations, is set out below:

|                                              | 2018<br>\$       | 2017<br>\$         |
|----------------------------------------------|------------------|--------------------|
| <b>Statement of comprehensive income</b>     |                  |                    |
| <i>Loss for the year</i>                     |                  |                    |
| Attributable to the owners of the parent     | 23,162           | 95,484             |
| Attributable to non-controlling interest     | 5,791            | 23,871             |
|                                              | <u>28,953</u>    | <u>119,355</u>     |
| <i>Other comprehensive loss for the year</i> |                  |                    |
| Attributable to the owners of the parent     | 237,238          | 261,109            |
| Attributable to non-controlling interest     | 59,310           | 65,277             |
|                                              | <u>(679,991)</u> | <u>(1,004,426)</u> |
| <b>Statement of financial position</b>       |                  |                    |
| <i>Assets</i>                                |                  |                    |
| Current assets                               | 112,774          | 119,775            |
| Non-current assets                           | -                | -                  |
|                                              | <u>112,774</u>   | <u>119,775</u>     |
| <i>Liabilities</i>                           |                  |                    |
| Current liabilities                          | 606,563          | 554,773            |
| Non-current liabilities                      | -                | -                  |
|                                              | <u>606,563</u>   | <u>554,773</u>     |
| <i>Net deficiency</i>                        |                  |                    |
| Attributable to the owners of the parent     | (395,031)        | (347,998)          |
| Attributable to non-controlling interest     | (98,758)         | (87,000)           |
|                                              | <u>(493,789)</u> | <u>(439,998)</u>   |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

## NOTE 13: SUBSIDIARIES (continued)

|                                              | 2018<br>\$      | 2017<br>\$      |
|----------------------------------------------|-----------------|-----------------|
| <b>Statement of cash flows</b>               |                 |                 |
| Net cash from operating activities           | (28,953)        | (48,013)        |
| Net cash from investing activities           | -               | -               |
| Net cash from/(used in) financing activities | -               | -               |
|                                              | <u>(28,953)</u> | <u>(48,013)</u> |

## NOTE 14: FINANCIAL INSTRUMENTS

|                              | <b>CONSOLIDATED</b> |                  |
|------------------------------|---------------------|------------------|
|                              | 2018<br>\$          | 2017<br>\$       |
| <b>Financial assets</b>      |                     |                  |
| Cash and cash equivalents    | 280,053             | 857,360          |
| <b>Financial liabilities</b> |                     |                  |
| Trade and other payables     | 679,991             | 1,004,426        |
| Borrowings                   | 82,978              | -                |
| Total                        | <u>762,969</u>      | <u>1,004,426</u> |

The fair value of financial assets and liabilities approximates their carrying value at balance date

The following table details the expected maturity/s for the Group's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

| CONSOLIDATED                       | Weighted<br>average<br>effective<br>interest rate<br>% | Less than 1<br>month<br>\$ | 1 – 3 Months<br>\$ | 3 months –<br>1 year<br>\$ | 1 – 5 years<br>\$ | 5+ years<br>\$ |
|------------------------------------|--------------------------------------------------------|----------------------------|--------------------|----------------------------|-------------------|----------------|
| <b>2018</b>                        |                                                        |                            |                    |                            |                   |                |
| Non-interest bearing               | -                                                      | -                          | -                  | -                          | -                 | -              |
| Variable interest rate instruments | 1.3%                                                   | 280,053                    | -                  | -                          | -                 | -              |
| Fixed interest rate instruments    | -                                                      | -                          | -                  | -                          | -                 | -              |
|                                    |                                                        | 280,053                    | -                  | -                          | -                 | -              |
| <b>2017</b>                        |                                                        |                            |                    |                            |                   |                |
| Non-interest bearing               | -                                                      | -                          | -                  | -                          | -                 | -              |
| Variable interest rate instruments | 1.5%                                                   | 857,360                    | -                  | -                          | -                 | -              |
| Fixed interest rate instruments    | -                                                      | -                          | -                  | -                          | -                 | -              |
|                                    |                                                        | 857,360                    | -                  | -                          | -                 | -              |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 14: FINANCIAL INSTRUMENTS (continued)

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

| CONSOLIDATED                       | Weighted<br>average<br>effective<br>interest<br>rate<br>% | Less than<br>1 month<br>\$ | 1 – 3 Months<br>\$ | 3 months<br>– 1 year<br>\$ | 1 – 5<br>years<br>\$ | 5+ years<br>\$ |
|------------------------------------|-----------------------------------------------------------|----------------------------|--------------------|----------------------------|----------------------|----------------|
| <b>2018</b>                        |                                                           |                            |                    |                            |                      |                |
| Non-interest bearing               | -                                                         | -                          | 679,991            | 82,978                     | -                    | -              |
| Variable interest rate instruments | -                                                         | -                          | -                  | -                          | -                    | -              |
| Fixed interest rate instruments    | -                                                         | -                          | -                  | -                          | -                    | -              |
|                                    |                                                           | -                          | 679,991            | 82,978                     | -                    | -              |
| <b>2017</b>                        |                                                           |                            |                    |                            |                      |                |
| Non-interest bearing               | -                                                         | -                          | 1,004,426          | -                          | -                    | -              |
| Variable interest rate instruments | -                                                         | -                          | -                  | -                          | -                    | -              |
| Fixed interest rate instruments    | -                                                         | -                          | -                  | -                          | -                    | -              |
|                                    |                                                           | -                          | 1,004,426          | -                          | -                    | -              |

### NOTE 15: SHARE BASED PAYMENTS

At 31 March 2018, the Group has the following share-based payment arrangements affecting remuneration in the current or prior year.

#### Share Options granted to Directors and Consultants

No options were granted during the year to 31 March 2018. During the year ended 31 March 2017, 90,000,000 options (as stated on a pre-consolidation basis) exercisable at 1.5 cent per share on or before 31 August 2019 were granted to Directors and Executives pursuant to Shareholder approval granted at the Company's AGM on 30 August 2016. 70,000,000 of which were issued to key management personnel. The fair value of options granted was \$0.005 per option.

Option will vest upon satisfaction of both of the following conditions (**Vesting Conditions**):

- (i) The Company, with the assistance of the holder, having executed binding documentation for the acquisition of a material new energy project consistent with the Company's strategy and on terms acceptable to the Board on or before 31 August 2017; and
- (ii) The Company, with the assistance of the holder, having raised not less than A\$3,000,000 in new equity at a share price of not less than 1.5 cents per share, on or before 31 August 2017.

As of the date of this report it was considered unlikely that the vesting criteria would be met, and, as such, no value has been recognised for these options in expense.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 15: SHARE BASED PAYMENTS (continued)

The fair value of the equity-settled share options granted under both the option and the loan plans is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

|                                 | 90,000,000 options          |
|---------------------------------|-----------------------------|
| Dividend yield (%)              | 0.00%                       |
| Expected volatility (%)         | 75%                         |
| Risk-free interest rate (%)     | 1.416%                      |
| Expected life of option (years) | 3 years                     |
| Exercise price (cents)          | \$0.015 (pre-consolidation) |
| Grant date share price          | \$0.012                     |

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

#### Triple Energy Ltd Employee Share Plan

The Triple Energy Ltd Employee Share Plan was approved by shareholders at the General Meeting of 19 December 2012. Participation of the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

No securities were granted under the Employee Share Plan in either the current or prior year.

### NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Interest rate risk
- Liquidity risk
- Market risk, including Foreign currency risk

This note presents the information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below.

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the year ended 31 March 2018, it has been the Group's policy not to trade in financial instruments.

#### (a) Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

#### (b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by seeking to maintain adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group did not have any undrawn facilities at its disposal as at balance date.

#### (c) Interest rate risk management

The Group is exposed to interest rate risk as the Group deposits the bulk of the Group's cash reserves in Term Deposits. The risk is managed by the Group by maintaining an appropriate mix between short term and medium-term Deposits. The Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

#### (d) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or value of the holdings of financial instruments. The Group is exposed to movements in market interest rates on short term deposit, and foreign currency movements primarily on cash and creditor balances. Where possible the Group seeks to ensure that cash balances held and forecast to be held are approximately matched against the currency of actual and expected future liabilities upon maturity. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. Other than the interest free, unsecured borrowings advanced to the Company's HK subsidiary by BGBS, the Group does not have short or long term debt, and therefore this risk is minimal. The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

### NOTE 17: VOLUNTARY CHANGE IN ACCOUNTING POLICY

#### (a) Exploration and Evaluation Accounting Policy

The financial report has been prepared on the basis of a retrospectively applied voluntary change in accounting policy related to exploration and evaluation expenditure in respect of each area of interest.

The new accounting policy in respect of each area of interest is to expense exploration and evaluation expenditure to the profit or loss as incurred. The previous accounting policy in respect of each area of interest was to capitalise exploration and evaluation expenditure incurred and carry forward as an asset when costs were expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area had not yet reached a stage which permitted a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations were continuing.

The directors believe that this change in policy will result in more relevant and reliable information in the financial report.

#### (b) Impact on Financial Statements

As a result of the change in the accounting policy for exploration and evaluation expenditure in relation to each area of interest, prior year financial statements had to be restated. The amounts disclosed in statement of loss for the year ended 31 March 2017 reporting period and in the statement of financial position as at 31 March 2017 and 31 March 2016 respectively are after the change in accounting policy for exploration and evaluation expenditure.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

|                                                                                             | Previously<br>Stated<br>year<br>ended<br>March<br>2017<br>\$ | Loss<br>(increase)<br>/<br>decrease | Restated<br>year<br>ended<br>March<br>2017<br>\$ |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------|--------------------------------------------------|
| <b>Continuing operations</b>                                                                |                                                              |                                     |                                                  |
| Other income                                                                                | 5,375                                                        | -                                   | 5,375                                            |
| Share based payments expense                                                                | -                                                            | -                                   | -                                                |
| Other expenses                                                                              | (1,733,582)                                                  | (145,685)                           | (1,879,267)                                      |
| <b>Loss before income tax expense</b>                                                       | <b>(1,728,207)</b>                                           | <b>(145,685)</b>                    | <b>(1,873,892)</b>                               |
| Income tax expense                                                                          | -                                                            | -                                   | -                                                |
| <b>Loss after tax expense</b>                                                               | <b>(1,728,207)</b>                                           | <b>(145,685)</b>                    | <b>(1,873,892)</b>                               |
| <b>Net (loss) for the year</b>                                                              | <b>(1,728,207)</b>                                           | <b>(145,685)</b>                    | <b>(1,873,892)</b>                               |
| <b>Other comprehensive income/(loss)</b>                                                    |                                                              |                                     |                                                  |
| <i>Items that may be reclassified to profit or loss</i>                                     |                                                              |                                     |                                                  |
| Exchange differences on translation of foreign operations                                   | (145,241)                                                    | 282,015                             | 136,774                                          |
| <b>Total comprehensive income/(loss) for the year</b>                                       | <b>(1,873,448)</b>                                           | <b>136,330</b>                      | <b>(1,737,118)</b>                               |
| <b>Loss attributable to:</b>                                                                |                                                              |                                     |                                                  |
| Owners of the group                                                                         | (1,728,207)                                                  | (121,814)                           | (1,850,021)                                      |
| Non-controlling interests                                                                   | -                                                            | (23,871)                            | (23,871)                                         |
| <b>Loss for the year</b>                                                                    | <b>(1,728,207)</b>                                           | <b>(145,685)</b>                    | <b>(1,873,892)</b>                               |
| <b>Total comprehensive loss attributable to:</b>                                            |                                                              |                                     |                                                  |
| Owners of the group                                                                         | (1,844,400)                                                  | 103,798                             | (1,740,602)                                      |
| Non-controlling interests                                                                   | (29,048)                                                     | 32,532                              | 3,484                                            |
| <b>Loss for the year</b>                                                                    | <b>(1,873,448)</b>                                           | <b>136,330</b>                      | <b>(1,737,118)</b>                               |
| Basic and diluted loss per share (cents per share)<br>(as restated for Share Consolidation) | (4.80)                                                       | (0.18)                              | (4.98)                                           |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

|                                                 | Previously<br>Stated as at<br>31 March<br>2017<br>\$ | Increase /<br>Decrease | Restated as<br>at 31 March<br>2017<br>\$ |
|-------------------------------------------------|------------------------------------------------------|------------------------|------------------------------------------|
| <b>Assets</b>                                   |                                                      |                        |                                          |
| <b>Current Assets</b>                           |                                                      |                        |                                          |
| Cash and cash equivalents                       | 857,360                                              | -                      | 857,360                                  |
| Other current assets                            | 24,723                                               | -                      | 24,723                                   |
| <b>Total Current Assets</b>                     | <b>882,083</b>                                       | <b>-</b>               | <b>882,083</b>                           |
| <b>Non-Current Assets</b>                       |                                                      |                        |                                          |
| Property plant and equipment                    | 134,062                                              | (134,062)              | -                                        |
| Deferred exploration and evaluation expenditure | 8,175,056                                            | (8,175,056)            | -                                        |
| <b>Total Non-Current Assets</b>                 | <b>8,309,118</b>                                     | <b>(8,309,118)</b>     | <b>-</b>                                 |
| <b>Total Assets</b>                             | <b>9,191,201</b>                                     | <b>(8,309,118)</b>     | <b>882,083</b>                           |
| <b>Liabilities</b>                              |                                                      |                        |                                          |
| <b>Current Liabilities</b>                      |                                                      |                        |                                          |
| Trade and other payables                        | 1,004,426                                            | -                      | 1,004,426                                |
| Shares to be issued                             | 480,000                                              | -                      | 480,000                                  |
| <b>Total Current Liabilities</b>                | <b>1,484,426</b>                                     | <b>-</b>               | <b>1,484,426</b>                         |
| <b>Non-Current Liabilities</b>                  |                                                      |                        |                                          |
| Borrowings                                      | -                                                    | -                      | -                                        |
| <b>Total Liabilities</b>                        | <b>1,484,426</b>                                     | <b>-</b>               | <b>1,484,426</b>                         |
| <b>Net Assets</b>                               | <b>7,706,775</b>                                     | <b>(8,309,118)</b>     | <b>(602,343)</b>                         |
| <b>Equity</b>                                   |                                                      |                        |                                          |
| Issued capital                                  | 35,852,152                                           | -                      | 35,852,152                               |
| Reserves                                        | 718,486                                              | 85,777                 | 804,263                                  |
| Accumulated losses                              | (29,663,262)                                         | (7,508,496)            | (37,171,758)                             |
| <b>Parent entity interest</b>                   | <b>6,907,376</b>                                     | <b>(7,422,719)</b>     | <b>(515,343)</b>                         |
| Non-controlling interests                       | 799,399                                              | (886,399)              | (87,000)                                 |
| <b>Total equity</b>                             | <b>7,706,775</b>                                     | <b>(8,309,118)</b>     | <b>(602,343)</b>                         |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

|                                                 | Notes | Previously<br>Stated as at<br>31 March<br>2016<br>\$ | Increase /<br>Decrease | Restated as<br>at 31 March<br>2016<br>\$ |
|-------------------------------------------------|-------|------------------------------------------------------|------------------------|------------------------------------------|
| <b>Assets</b>                                   |       |                                                      |                        |                                          |
| <b>Current Assets</b>                           |       |                                                      |                        |                                          |
| Cash and cash equivalents                       |       | 403,120                                              | -                      | 403,120                                  |
| Other current assets                            |       | 29,020                                               | -                      | 29,020                                   |
| <b>Total Current Assets</b>                     |       | 432,140                                              | -                      | 432,140                                  |
| <b>Non-Current Assets</b>                       |       |                                                      |                        |                                          |
| Property plant and equipment                    |       | 165,772                                              | (165,772)              | -                                        |
| Deferred exploration and evaluation expenditure |       | 8,279,676                                            | (8,279,676)            | -                                        |
| <b>Total Non-Current Assets</b>                 |       | 8,445,448                                            | (8,445,448)            | -                                        |
| <b>Total Assets</b>                             |       | 8,877,588                                            | (8,445,448)            | 432,140                                  |
| <b>Liabilities</b>                              |       |                                                      |                        |                                          |
| <b>Current Liabilities</b>                      |       |                                                      |                        |                                          |
| Trade and other payables                        |       | 853,596                                              | -                      | 853,596                                  |
| <b>Total Current Liabilities</b>                |       | 853,596                                              | -                      | 853,596                                  |
| <b>Non-Current Liabilities</b>                  |       |                                                      |                        |                                          |
| Borrowings                                      |       | -                                                    | -                      | -                                        |
| <b>Total Liabilities</b>                        |       | 853,596                                              | -                      | 853,596                                  |
| <b>Net Assets</b>                               |       | 8,023,992                                            | (8,445,448)            | (421,456)                                |
| <b>Equity</b>                                   |       |                                                      |                        |                                          |
| Issued capital                                  |       | 34,295,921                                           | -                      | 34,295,921                               |
| Reserves                                        |       | 834,679                                              | (139,835)              | 694,844                                  |
| Accumulated losses                              |       | (27,935,055)                                         | (7,386,682)            | (35,321,737)                             |
| <b>Parent entity interest</b>                   |       | 7,195,545                                            | (7,526,517)            | (330,972)                                |
| Non-controlling interests                       |       | 828,447                                              | (918,931)              | (90,484)                                 |
| <b>Total equity</b>                             |       | 8,023,992                                            | (8,445,448)            | (421,456)                                |

### Statement of Cash Flows

Exploration and evaluation expenditure that is expensed is included as part of cash flows from operating activities whereas exploration and evaluation expenditure that is capitalised is included as part of cash flows from investing activities. This has resulted in additional cash outflows from operating activities of \$265,488 for the year ended March 31, 2017. This has also resulted in a corresponding reduction of \$265,488 being reflected in the net cash outflows from investing activities for the same reporting period.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 18: COMMITMENTS AND CONTINGENCIES

#### Guarantees

In 2017 Triple Energy Limited had in place a deposit-banked bank guarantee for an amount of \$15,308, which arrangement was cancelled during the year.

#### Capital expenditure commitments

As at balance date, the Group had no outstanding future commitments under equipment purchase contracts not otherwise accounted for as liabilities (2017: Nil).

### NOTE 19: DIVIDENDS

The directors of the Company have not declared any dividend for the year ended 31 March 2018 (2017: nil).

### NOTE 20: EVENTS SUBSEQUENT TO BALANCE DATE

No matter or circumstance has arisen since 31 March 2018 that in the opinion of the Directors has significantly affected, or may significantly affect in future financial years:

- the Group's operations;
- the results of those operations; or
- the Group's state of affairs.

### NOTE 21: AUDITOR'S REMUNERATION

The auditor of Triple Energy Limited is HLB Mann Judd.

*Amounts received or due and receivable by HLB Mann Judd for:*

Audit and review of financial reports

| 2018<br>\$ | 2017<br>\$ |
|------------|------------|
| 35,500     | 35,500     |
| 35,500     | 35,500     |

### NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURES

#### Key Management Personnel Compensation

|                          | 2018<br>\$ | 2017<br>\$ |
|--------------------------|------------|------------|
| Short-term benefits      | 88,662     | 266,513    |
| Post-employment benefits | -          | 12,587     |
| Share based payments     | -          | -          |
|                          | 88,662     | 279,100    |

Further details on Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

### NOTE 23: OTHER RELATED PARTY DISCLOSURES

Erasmus Consulting Pty Ltd, an entity controlled by the Company Secretary received consulting fees of \$61,435 during the year from the Company (2017: \$61,952).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 24: PARENT ENTITY DISCLOSURES

#### Financial position

|                             | As at<br>31 March 2018<br>\$ | As at<br>31 March 2017<br>(Restated)<br>\$ |
|-----------------------------|------------------------------|--------------------------------------------|
| <b>Assets</b>               |                              |                                            |
| Current assets              | 168,352                      | 760,124                                    |
| Non-current assets          | -                            | -                                          |
| Total assets                | 168,352                      | 760,124                                    |
| <b>Liabilities</b>          |                              |                                            |
| Current liabilities         | 52,564                       | 598,985                                    |
| Non-current liabilities     | -                            | -                                          |
| Total liabilities           | 52,564                       | 598,985                                    |
| <b>Equity</b>               |                              |                                            |
| Issued capital              | 36,645,591                   | 35,852,152                                 |
| Share based payment reserve | 859,970                      | 859,970                                    |
| Accumulated losses          | (37,389,773)                 | (36,550,983)                               |
|                             | 115,788                      | 161,139                                    |

|                              | For the Year<br>ended 31<br>March 2018 | For the Year<br>ended 31<br>March 2017<br>(Restated) |
|------------------------------|----------------------------------------|------------------------------------------------------|
| <b>Financial performance</b> |                                        |                                                      |
| Loss for the year            | (838,790)                              | (1,260,200)                                          |
| Other comprehensive income   | -                                      | -                                                    |
| Total comprehensive loss     | (838,790)                              | (1,260,200)                                          |

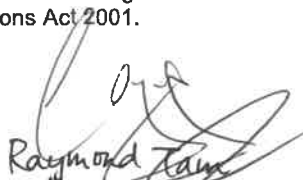
## DIRECTORS' DECLARATION

In the opinion of the directors of Triple Energy Limited ('the Company'):

1. The financial statements and notes thereto, are in accordance with the Corporations Act 2001 including:
  - a. giving a true and fair view of the Group's financial position as at 31 March 2018 and of its performance for the year then ended;
  - b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 31 March 2018.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Director

A handwritten signature in black ink, appearing to read "Raymond Tan".  
Dated this 29<sup>th</sup> day of June 2018



Accountants | Business and Financial Advisers

## INDEPENDENT AUDITOR'S REPORT

To the members of Triple Energy Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Triple Energy Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 March 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 March 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Material uncertainty related to going concern*

We draw attention to Note 1(a) in the financial report, which indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

#### **HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Change in accounting policy</b><br/>(Refer to Note 17)</p> <p>During the current year, the Group changed its accounting policy in relation to deferred exploration and evaluation expenditure. In previous reporting periods, exploration and evaluation expenditure was capitalised under AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. The accounting policy of the Group in this respect has been changed to expense exploration expenditure as incurred on the basis described in Note 1(t).</p> <p>Management has assessed this change against accounting standards requirements with respect to voluntary changes in accounting policies and the change in accounting policy is on the basis that it will result in more relevant and reliable information in the financial report.</p> <p>The change in accounting policy resulted in the restatement of affected 31 March 2017 balances and the disclosure of the impact of the change for each financial statement line item affected.</p> <p>The change in accounting policy was considered a key audit matter as it was determined to be important to the users understanding of the financial statements as a whole, was material in size and nature and involved the most communication with those charged with governance.</p> | <p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- We considered the appropriateness of the change in accounting policy ensuring that the disclosure requirements set out in accounting standards were complied with, including that the change provided more relevant financial information to the users of the financial report; and</li> <li>- We reconciled the restated balances to the prior year audited balances ensuring that the change was correctly calculated and disclosed.</li> </ul> |

### Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the directors for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### *Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are



responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on the Remuneration Report**

##### *Opinion on the remuneration report*

We have audited the remuneration report included in the directors' report for the year ended 31 March 2018.

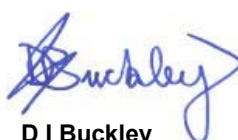
In our opinion, the remuneration report of Triple Energy Limited for the year ended 31 March 2018 complies with section 300A of the *Corporations Act 2001*.

##### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink that reads "HLB Mann Judd".

**HLB Mann Judd**  
Chartered Accountants

A handwritten signature in blue ink that reads "D I Buckley".

**D I Buckley**  
Partner

**Perth, Western Australia**  
**29 June 2018**

## A: CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Triple Energy Limited is responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council (CGC) published guidelines as well as its corporate governance principles and recommendations.

This statement sets out the corporate governance practices in place throughout the financial year in accordance with the 3<sup>rd</sup> edition of the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

Further information about the Company's corporate governance practices is available on the Company's website at [www.tripleenergy.net](http://www.tripleenergy.net).

| ASX Recommendation                                                                                                                                                                                                                                                                                                                                                                                                        | Comply (Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>                                                                                                                                                                                                                                                                                                                                                    |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>ASX Recommendation 1.1:</b> A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) The respective roles and responsibilities of its board and management; and</li> <li>(b) Those matters expressly reserved to the board and those delegated to management.</li> </ul>                                                                                                                            | Yes             | <p>The Company has adopted a formal charter that details the respective board and management functions and responsibilities. A copy of this board charter is available in the governance section of the Company's website at <a href="http://www.tripleenergy.net">www.tripleenergy.net</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>ASX Recommendation 1.2:</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</li> </ul> | Yes             | <p>The Company has established a Remuneration and Nomination Committee ("RNC") which operates under the Remuneration Committee Charter and Nomination Committee Charter. Copies of both charters are available within the Corporate Governance Plan in the governance section of the Company's website at <a href="http://www.tripleenergy.net">www.tripleenergy.net</a></p> <p>The Nomination Committee Charter requires the RNC to undertake appropriate checks before appointing a candidate, or putting forward to security holders a candidate for election as a Director.</p> <p>All material information relevant to whether or not to elect or re-elect a director is provided to the Company's shareholders as part of the Notice of Meeting and explanatory statement for a shareholder meeting including resolutions related to the election or re-election of directors.</p> |
| <b>ASX Recommendation 1.3:</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.                                                                                                                                                                                                                                                        | Yes             | <p>The Company's Nomination Committee Charter requires that each director and senior executive is a party to a written agreement with the Company which sets out the terms of that director/senior executive's appointment.</p> <p>The Company has written agreements in place with all members of the Board of Directors.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>ASX Recommendation 1.4:</b> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters related to the functioning of the board.                                                                                                                                                                                                                           | Yes             | <p>As detailed in the Board Charter, the Company Secretary is accountable directly to the Board, through the Chair, on all matters related to the functioning of the Board.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## ADDITIONAL ASX INFORMATION

| ASX Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Comply (Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>ASX Recommendation 1.5:</b> A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <ol style="list-style-type: none"> <li>1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) or</li> <li>2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in, and published under, that Act.</li> </ol> | No              | <p>The Board has adopted a policy in relation to workplace diversity that recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. Terms of the policy are available on the Company's website <a href="http://www.tripleenergy.net">www.tripleenergy.net</a>.</p> <p>The Board has not yet established and reported against measurable objectives for achieving gender diversity as per ASX Best Practice Recommendation 1.5. Rather than establishing measurable objectives with regard to diversity, the Company is committed to employment of the highest quality of staff regardless of gender, age, ethnicity or cultural background.</p> <p>During the year the Group employed 0.5 full time equivalent women, approximately 30% of total staffing levels. There are currently no women occupying key management personnel or Board positions.</p> |
| <p><b>ASX Recommendation 1.6:</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Yes             | <p>The Board Charter and Performance Evaluation policy details the process of evaluating the Board, its Committee and individual directors on an annual basis as appropriate. The Performance Evaluation policy is available within the Corporate Governance Plan on the Company's website.</p> <p>Due to the timing of changes to the Board and the Company's operations, it was not deemed necessary to undertake a formal performance evaluation in the reporting period.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b>ASX Recommendation 1.7:</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Yes             | <p>The Board has a policy of evaluating the performance of its senior executives on an annual basis or as appropriate at the discretion of the Board. Arrangements for monitoring the performance of executives include a review of the Company's financial performance and achievement against non-financial milestones; and appraisal meetings or discussions incorporating analysis of performance with each individual.</p> <p>A formal performance review was conducted for some, but not all executives during the reporting period, having regard to organisational changes. It is expected that further reviews will take place in 2018/2019 reporting period.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| ASX Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Comply (Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>ASX Recommendation 2.1:</b> The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent directors, and</li> <li>2) is chaired by an independent director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>5) as at the end of the reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</li> </ol> <p>or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | No              | <p>The Company's Nomination &amp; Remuneration Committee is currently comprised of the full Board and chaired by Mr Murray d'Almeida, an independent director.</p> <p>The size and composition of the Board meant it was not possible for the Company to comply fully with recommendation 2.1(a) for the 2018 reporting period. The Board will continue to review its composition to ensure it remains appropriate to the Company's circumstances, size and stage of development.</p> <p>The charter of the Nomination and Remuneration Committee is included in the Corporate Governance Plan available on the Company's website and details of meetings of all Committees are set out in the Directors Report.</p> |
| <p><b>ASX Recommendation 2.2:</b> A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | No              | <p>The Group's activities are currently evolving and development of a formal skills matrix remains ongoing. The current Board has significant expertise and experience in Energy operations, Strategy, Accounting and Finance, International Business, Mergers and Acquisitions, Risk Management, Financial Markets and Investor Relations and the Board is comfortable with the skills represented by the current Board.</p>                                                                                                                                                                                                                                                                                        |
| <p><b>ASX Recommendation 2.3:</b> A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director</p>                                                                                                                                                                                                                                                                                                                                                                                                                         | Yes             | <p>At the date of this report the Board has two directors considered by the Board to be independent directors, being Mr Chris Berkefeld and Mr Murray d'Almeida, who have no interests, positions or relationships of the type described in Box 2.3.</p> <p>The appointment dates of directors are set out below:</p> <p>Mr Ming Kit (Tommy) Cheng – 9 December 2014</p> <p>Mr Man Kin (Raymond) Tam (Alternate Director for Mr Tommy Cheng) – 4 April 2017</p> <p>Mr Murray d'Almeida – 18 July 2017</p> <p>Mr Chris Berkefeld – 18 July 2017</p>                                                                                                                                                                   |
| <p><b>ASX Recommendation 2.4:</b> A majority of the board of a listed entity should be independent directors.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | No              | <p>As shown in the table above, during the reporting period, the Board has not had a majority of independent directors based on the Company's definition of independence which is published in the Corporate Governance Plan on the Company's website.</p> <p>The Board will continue to review its composition to ensure it remains appropriate to the Company's circumstances, size and stage of</p>                                                                                                                                                                                                                                                                                                               |

## ADDITIONAL ASX INFORMATION

| ASX Recommendation                                                                                                                                                                                                                                                                   | Comply<br>(Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ASX Recommendation 2.5:</b> The chair of the board of a listed entity should be an independent director, and, in particular, should not be the same person as the CEO of the entity.                                                                                              | No                 | The Board's chair, Mr Tommy Cheng, is not considered to be independent by reason of being a nominee of a substantial shareholder in the Company.<br><br>The position of CEO and Managing Director is currently unfilled at the date of this report.                                                                                              |
| <b>ASX Recommendation 2.6:</b> A listed entity should have a program for inducing new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | Yes                | As set out in the Board Charter, the Company Secretary is responsible for facilitation of the induction of new directors. The Board is supportive of professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.                                |
| <b>PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY</b>                                                                                                                                                                                                                                    |                    |                                                                                                                                                                                                                                                                                                                                                  |
| <b>ASX Recommendation 3.1:</b> A listed entity should:                                                                                                                                                                                                                               | Yes                | The Company has established a code of conduct that sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from Directors and employees.<br><br>A copy of the Company's code of conduct is available in the corporate governance section of the Company's website. |
| <b>PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>                                                                                                                                                                                                                       |                    |                                                                                                                                                                                                                                                                                                                                                  |

## ADDITIONAL ASX INFORMATION

| ASX Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Comply (Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>ASX Recommendation 4.1:</b> The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> <li>has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>is chaired by an independent director, who is not the chair of the board,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>the charter of the committee;</li> <li>the relevant qualifications and experience of the members of the committee; and</li> <li>in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> <li>if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit partner.</li> </ol> | No              | <p>The Board has established an Audit Committee and adopted a charter that sets out the Audit Committee's purpose, composition, duties and responsibilities. The role of the Audit Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance.</p> <p>A copy of the charter of the Audit Committee is available in the governance section of the Company's website.</p> <p>The Company's Audit Committee for the period ended 31 March 2018 comprised the full board with Mr Chris Berkefeld as chair. Separate meetings of the Audit Committee did not take place during the year, with relevant business instead being considered by the Board, having reference to the appropriate charter.</p> <p>The composition of the Audit Committee during the reporting period did not meet the requirements of Recommendation 4.1, as the composition of the Board did not allow for it.</p> <p>The qualifications, experience and attendance of the members of the Audit Committee are detailed in the Directors' Report of the 2018 Annual Report.</p> |
| <p><b>ASX Recommendation 4.2:</b> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                          | No              | <p>The Company has complied in part with the recommendation. The appropriate declarations are made prior to approval of full and half-year accounts, however the Company had not yet implemented the process for all quarterly cash flow statements within the reporting period, with the Board considering that provision of the assurance for the half-yearly and annual financial statements is sufficient given the size and nature of the Company's operations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b>ASX Recommendation 4.3:</b> A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answers questions from security holders relevant to the audit.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Yes             | <p>The Audit and Risk Committee Charter deals with the requirement to ensure that the external auditor attends the Company's AGM and is available to answer questions from the security holders.</p> <p>A representative of the Company's auditor was present at its 2016 AGM and was available to answer questions from shareholders relevant to the audit and financial statements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>ASX Recommendation 5.1:</b> A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Yes             | <p>The Company has established a continuous disclosure policy which is designed to guide compliance with ASX Listing Rule disclosure requirements and to ensure that all directors, senior executives and employees of the Company understand their responsibilities under the policy. The Board has designated the Company Secretary as the person responsible for ensuring that this policy is implemented and enforced and that all required price sensitive information is disclosed to the ASX as required.</p> <p>In accordance with the Company's continuous disclosure policy, all information provided to ASX for release to the market will be posted</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| ASX Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Comply (Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                 | to its website after ASX confirms an announcement has been made.<br>A copy of the continuous disclosure policy is available in the governance section of the Company's website.                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>ASX Recommendation 6.1:</b> A listed entity should provide information about itself and its governance to investors via its website.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Yes             | The Company's website contains information about the Company's projects, Directors and management and governance practices.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>ASX Recommendation 6.2:</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Yes             | The Company has adopted a Shareholder Communication Strategy, details of which are included in its Corporate Governance Plan on the Company's website.<br><br>The Company has provided information about the Company generally for the benefit of its shareholders and market participants (among others) on the Company's website and all information provided to ASX for release to the market will be posted to its website after ASX confirms an announcement has been made. Contact with the Company can be made via an email address and phone number provided on the Company's website. |
| <b>ASX Recommendation 6.3:</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Yes             | The Company has adopted a Shareholder Communication Strategy, details of which are included in its Corporate Governance Plan on the Company's website.<br><br>Notices of meetings are mailed to all shareholders, and are also available via the ASX and the Company's website. Shareholders are encouraged to lodge proxy forms, subject to satisfactory authentication procedures if they are unable to attend shareholder meetings.                                                                                                                                                         |
| <b>ASX Recommendation 6.4:</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Yes             | Security holders can nominate their communication preferences with the Company's security registry, which includes the option for electronic communications.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>PRINCIPLE 7: RECOGNISE AND MANAGE RISK</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>ASX Recommendation 7.1:</b> The board of a listed entity should:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | No              | As discussed above at ASX Recommendation 4.1, the Audit Committee operates under the Audit and Risk Committee Charter, which is available within the Corporate Governance Plan on the Company's website.<br><br>Details concerning the composition of the Committee and qualifications, experience and attendance of its members have been addressed above in the response to Recommendation 4.1. Given the composition of the Board, it was not possible for the Committee to be composed in accordance with Recommendation 7.1(a) 1 and 2) during the reporting period.                      |
| (a) have a committee or committees to oversee risk, each of which:<br>1) has at least three members, a majority of whom are independent directors; and<br>2) is chaired by an independent director<br><br>and disclose:<br>3) the charter of the committee;<br>4) the members of the committee; and<br>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or<br><br>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

## ADDITIONAL ASX INFORMATION

| ASX Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                    | Comply<br>(Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>ASX Recommendation 7.2:</b> The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>                                                                                    | Yes                | <p>The Company is committed to the identification, monitoring and management of risks associated with its business activities and has established policies, in relation to the implementation of practical and effective control systems. The Company has established a Risk Management Policy, which is available within the Corporate Governance Plan on the Company's website.</p> <p>The Board (via the Audit and Risk Committee) has delegated the responsibility for undertaking and assessing risk management and internal control effectiveness to management.</p> <p>The Audit and Risk Committee has received declarations from the CEO and CFO (or persons fulfilling those responsibilities) for the financial year ended 31 March 2018 that their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board and that the Company's risk management and internal compliance and control system is operating effectively in all material respects.</p>                                                                                     |
| <p><b>ASX Recommendation 7.3:</b> A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</li> </ul> | Yes                | <p>The Company does not currently have an internal audit function.</p> <p>The Audit and Risk Committee (or, as applicable the Board with reference to the relevant Charter materials) is responsible for ensuring that sound risk management strategies and policies are in place for the Company. The Committee has responsibility for identifying and overseeing major risk areas and that systems are in place to manage them, and report to the Board as and when appropriate. The Committee is required to develop and maintain a risk register that identifies the risks to the Company and its operation and assesses the likelihood of their occurrence. As discussed above, the Committee also monitors and reviews matters of significance affecting financial reporting and compliance.</p> <p>Under the Company's Risk Management Policy, the responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management are required to assess risk management and associated internal compliance and control procedures and report back to the Audit Committee on whether risks are being managed effectively.</p> |
| <p><b>ASX Recommendation 7.4:</b> A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>                                                                                                                                                                                                               | Yes                | <p>The Company has exposure to economic risks, including commodity price and general macro-economic risks and risks associated with economic cycles. Requirements for the Company to raise additional funding in the future to pursue its business objectives may be affected by these economic risks.</p> <p>The Group's operations are subject to applicable laws concerning the environment and as an extractive industries entity it is expected that these operations will have an impact on the environment, in particular if larger scale field development operations proceed. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all relevant laws.</p> <p>The Company has in place risk management procedures and processes to identify, manage and minimise its exposure to these risks where it is considered possible, practicable and beneficial to do so.</p>                                                                                                                                                                                                                             |

| ASX Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Comply (Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>ASX Recommendation 8.1:</b> The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director, and disclose:</li> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</li> </ol> <p>or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | No              | <p>The Board has established a Remuneration and Nomination Committee. The Remuneration Committee Charter is available within the Corporate Governance Plan in the governance section of the Company's website. The Committee is currently comprised of the full Board with Mr Murray d'Almeida as chair. Separate meetings of the Committee did not take place during the year, with relevant business instead being considered by the Board, having reference to the appropriate charter.</p> <p>The composition of the Committee did not meet the requirements of Recommendation 8.1 for the reporting period, as the current composition of the Board does not allow for it.</p> <p>The qualifications, experience and attendance of members of the Committee during the reporting period are detailed in the Directors' Report of the 2018 Annual Report.</p> |
| <p><b>ASX Recommendation 8.2:</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and other senior executives.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Yes             | <p>Non-Executive Directors are paid a fixed annual fee for their services to Company.</p> <p>Executives of the Company typically receive remuneration comprising a base salary component and other fixed benefits based on the terms of their employment agreements with the Company, or its Executive &amp; Non-Executive directors may receive share options under the Employee Share Plan's extant from time to time or by shareholder resolution.</p>                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p><b>ASX Recommendation 8.3:</b> A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes             | <p>The Board does not currently permit participants in its equity-based remuneration to enter into such transactions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

**B: SHAREHOLDING INFORMATION (as at 13 July 2018)**
**1. Substantial Shareholders**

As at report date the following shareholders hold a relevant interest in excess of 5% of the voting rights in the Company:

| Name                 | Date of Notice | Shares      | %     |
|----------------------|----------------|-------------|-------|
| Blue Sky Power Group | 29/6/16        | 19,202,623* | 46.61 |

\*As restated for the 1:40 share consolidation completed during the 2018 financial year.

**2. Number of holders in each class of equity securities and the voting rights attached**
**Ordinary Shares**

There are 710 holders of ordinary shares. Each shareholder is entitled to one vote per share held. In accordance with the Company's Constitution, on a show of hands every number present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorized representative has one vote for every fully paid ordinary share held.

**Options**

There are 3 holders of options. There are no voting rights attached to options.

**3. Distribution schedule of the number of holders in each class of equity security**
**a) Fully Paid Ordinary Shares**

| Spread of holdings | Holders | Securities | % of Issued Capital |
|--------------------|---------|------------|---------------------|
| 1 - 1,000          | 327     | 93,465     | 0.22%               |
| 1,001 - 5,000      | 168     | 454,428    | 1.05%               |
| 5,001 - 10,000     | 58      | 453,567    | 1.05%               |
| 10,001 - 100,000   | 122     | 3,618,619  | 8.38%               |
| Over 100,000       | 35      | 38,577,553 | 89.30%              |
| Total on register  | 710     | 43,197,632 |                     |

**b) Options**

| Spread of holdings | Holders | Securities  | % of Issued |
|--------------------|---------|-------------|-------------|
| Class G options    |         |             |             |
| 100,001 -          | 6       | 77,000,000  | 100%        |
| Class H options    |         |             |             |
| 100,001 -          | 4       | 90,000,000  | 100%        |
| Total on register  | 6       | 167,000,000 | 100.0%      |

Details of holdings of unquoted options in excess of 20% are as follows:

**Class H options**

| Holder         | Options    |
|----------------|------------|
| Ming Kit Cheng | 30,000,000 |
| Paul Underwood | 20,000,000 |
| Kei Tim Ki     | 20,000,000 |
| Po Chan        | 20,000,000 |

**4. Marketable Parcel**

There are 595 shareholders with less than a marketable parcel of \$500 based on a share price of \$0.033.

**5. Twenty largest holders of each class of quoted equity security**

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 13 July 2018) is as follows:

| Pos | Holder name             | Designation        | Securities        | % of issued |
|-----|-------------------------|--------------------|-------------------|-------------|
| 1   | WAYPOST LTD             |                    | 19,202,623        | 44.45%      |
| 2   | CITICORP NOM PL         |                    | 8,773,239         | 20.31%      |
| 3   | HAZARDOUS INV PL        |                    | 1,689,793         | 3.91%       |
| 4   | HSU YU-CHIEH            | HSU FAM A/C        | 1,012,500         | 2.34%       |
| 5   | SML CONTRACTING PL      |                    | 952,933           | 2.21%       |
| 6   | HSU JUI-TING + YU-JU    | HSU FAM S/F A/C    | 603,750           | 1.40%       |
| 7   | WESTON BEN              |                    | 500,288           | 1.16%       |
| 8   | PERSHING AUST NOM PL    | PHILLIP SEC HK A/C | 434,000           | 1.00%       |
| 9   | UNDERWOOD PAUL          | STEPHEN UNDERWOOD  | 375,000           | 0.87%       |
| 10  | PAMBELE PL              | PAMBELE HLDG       | 330,000           | 0.76%       |
| 11  | WESWOOD PL              | PAUL UNDERWOOD SUP | 329,000           | 0.76%       |
| 12  | HACKSHAW GREGORY ROBERT |                    | 275,000           | 0.64%       |
| 13  | RALCORP PL              |                    | 250,001           | 0.58%       |
| 14  | ECI INTNL PL            |                    | 250,001           | 0.58%       |
| 15  | CASH SAMUEL GEORGE + A  | SSEC S/F A/C       | 237,500           | 0.55%       |
| 16  | GILLESPIE ANDREW MARK   |                    | 236,028           | 0.55%       |
| 17  | ROHDE STEPHEN C + C D   | LINDREW A/C        | 229,880           | 0.53%       |
| 18  | LOUVIERE PL             | LOUVIERE S/F A/C   | 220,000           | 0.51%       |
| 19  | RALSTON GARRY BENJAMIN  |                    | 212,500           | 0.49%       |
| 20  | REBETEZ F A + M C       | REBELOTES S/F A/C  | 200,000           | 0.46%       |
|     |                         | TOP 20 TOTAL       | 36,314,036        | 84.06%      |
|     |                         | OTHER              | 6,883,596         | 15.94%      |
|     |                         | <b>TOTAL</b>       | <b>43,197,632</b> | <b>100%</b> |

**A. OTHER INFORMATION****1. Company Secretary**

The Company Secretary is Mr Alex Neuling.

**2. Address and telephone details of the Company's registered administrative office and principle place of business:**

Unit 24, 589 Stirling Highway  
COTTESLOE WA 6011  
Ph: +61 8 6153 1861  
Fax: +61 8 6314 1557  
admin@tripleenergy.net

**3. Address and telephone details of the office at which a registry of securities is kept:**

Security Transfer Australia Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153  
Ph: +61 8 9315 2333

**4. Securities exchange on which the Company's securities are quoted:**

The Company's listed equity securities are quoted on the Australian Securities Exchange.

**5. Review of Operations**

A review of operations is contained in the Directors' Report.